

EUROPEAN NEWS

Bundesbank to raise interest rates in attempt to curb inflation

By David Marsh in Bonn

THE West German Bundesbank will today raise official interest rates to the highest level for seven years after sending a firm signal yesterday to financial markets of its wish to tighten credit.

An increase by a full percentage point looked increasingly likely yesterday after the Bundesbank, in its latest regular round of repurchase lending to banks, pushed up money market rates by around half a percentage point compared with a week ago.

Today's official rates increase, the latest in a series of upward steps over the past 15 months since discount rate was at 2.5 per cent in 1987/88, will take the interest structure to the highest since autumn 1982.

The interest rate move has been extensively foreshadowed by statements from Mr Karl Otto Föhl, the Bundesbank president, at the International Monetary Fund meeting in Washington last week. It backs up international efforts to restrain the dollar through heavy intervention last week.

year. Gross national product is now forecast to rise by more than 4 per cent, the best performance since the 1970s.

219,000 - or 10.5 per cent - over the past 13 months. According to the Federal Labour Office, unemployment fell to 7.3 per cent of the workforce from 7.5 per cent in August.

policy-making council at its meeting today also wants to give a clear sign that it will ward off inflationary pressures. The Bundesbank is anxious about the extra stimulus given to the economy by a net DM25bn of tax cuts taking effect in the New Year.

Japan-EC microchip agreement hits snag

By Lucy Kellaway in Brussels

THE CONTROVERSIAL anti-dumping deal on semiconductor agreed in principle between Japan and the European Community in August has hit a procedural snag.

Several member states, including Ireland, failed to provide the necessary unanimous support for the arrangement at an anti-dumping committee meeting held this week.

Dissenting members have asked for more information on the complex effects of the deal, which they fear could force up the cost of semiconductor manufacturers and impose an unacceptably high cost to equipment manufacturers and consumers.

The arrangement, which would provide a floor price for dynamic random access memory chips, has been passed on to the Council of Ministers, where it is likely to be accepted on a qualified majority vote at a meeting later this month.

Eleven chip makers in Japan have already signed the agreement, which would put an end to a long-running dumping war.

It would provide a single price for all manufacturers and would cover the 256k and 1 megabit chips, as well as the new 4 and 16 megabit chips.

The UK had technical objections to the deal which have recently been resolved with the firm provision that the terms of the agreement will be reviewed when the US/Japanese semiconductor accord expires at the end of 1991.

D-Ram dumping, Page 25

Brussels confronts EC members over indirect taxes

By David Buchan in Brussels

THE European Commission yesterday decided on confrontation, rather than concession, in the increasingly tense battle with EC governments over how to levy indirect taxes in a frontier-free Community.

commissioner, horrified many of her Brussels colleagues by proposing that the current system stay until the end of 1995.

asked how they intend to deal with the possibility of increased tax fraud and bureaucratic red tape, which Brussels feels will be the result of the governments' preferred solution.

within an individual country. This would involve levying it at every stage of production across the Community. By this means the Commission aims to do away with the chief fiscal rationale of border controls, which is to check that exported goods do not fraudulently re-enter the home market.

VAT receipts so that the cash remains, as at present, in the coffers of the country of sale. Instead, the report by officials of the Twelve opts to replace controls at borders with controls at both the point of export and import.

Strikers ordered to end Peugeot sit-in

By William Dawkins in Paris

THE TEMPERATURE of the month-long pay dispute at Peugeot, Europe's third largest car maker, rose again yesterday as a French court gave 400 strikers 12 hours to end their 10-day occupation of the plant at the heart of the conflict.

production levels they were achieving at the end of June. Peugeot had asked the tribunal to order the strikers to leave the forge on the grounds that they were illegally invading private property and denying their non-striking colleagues the right to work.

They are the hard core among the estimated 1,000 to 2,000 workers who have been either on strike or making some form of protest in the month-long dispute, the worst in Peugeot's history.

Eleven chip makers in Japan have already signed the agreement, which would put an end to a long-running dumping war.

Perestroika 'likely to extend over 10-15 years'

By Martin Wolf

"PERESTROIKA has turned out to be a more difficult and attenuated process than was expected by the population at the beginning," so writes Mr Oleg Bogomolov, director of the Institute for World Socialist Economics of the Academy of Science and a close adviser to President Gorbachev, in his comments on a pamphlet on perestroika published today by The Group of Thirty.

will be accompanied by an acute debate, reflecting conflicts between the old and new modes of action."

sumer market noticeably deteriorated."

restrict and, in some cases, even prohibit co-operative activity."

John P. Harit and Sheila N. Heslin, Perestroika: A Sustainable Process for Change, with commentary by Oleg Bogomolov, Group of Thirty, 277 Park Avenue, NY, NY 10172 and 22 St Mary at Hill, London EC3P 3AJ, \$15 or £10.



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International Bar Association conference Nations urged to join ranks in war against computer crime

By Raymond Hughes in Strasbourg

INTERNATIONAL co-operation was essential to tackle the growing menace of computer crime, the conference was told yesterday. Sheriff Gordon Nicholson QC, a Scottish judge and member of the Scottish Law Commission, said such co-operation could confer benefits going far beyond the near control and regulation of trans-border computer-related crime.

activity which had not previously been illegal might simply ensure that perpetrators would take greater care to cover their tracks.

The second limiting factor was the problem of proof: a computer-assisted fraud might leave no visible evidence; the perpetrator might be thousands of miles from the scene of the crime when it was committed.

US fears linger over 'Fortress Europe'

By Robert Rice, Legal Correspondent, in Strasbourg

A STUDY by the US International Trade Commission of the effect of the European Single Market on the US economy has failed to dispel American fears of a 'Fortress Europe' after 1992.

market legislation may directly or indirectly have the effect of restricting existing or future business activity.

A DUAL approach to the problem of computer 'hacking' was proposed yesterday by a senior lawyer at the Serious Fraud Office.

Overall government procurement constituted approximately 15 per cent of the Community's gross domestic product, compared with about 5 per cent in the US. The possibility of opening up government procurement to the US, to the General Agreement on Tariffs and Trade, and even to internal competition, was 'good news'. The EC had said repeatedly that this subject was open to multilateral negotiation on a reciprocal basis. But it had also added a local content standard, which was bad news for the US.

AMERICAN NEWS

Capital gains cut proposal goes to the Senate floor

By Peter Riddell, US Editor, in Washington
THE future of the proposed cut in US capital gains tax will now be decided on the floor of the Senate after its finance committee decided early yesterday morning...

Senator Bentsen maintained that his proposals were fairer to middle class Americans

The House of Representatives last week approved a temporary cut in capital gains tax until the end of 1991 from the current top range of 28-33 per cent to a maximum of 18.5 per cent.

Caribbean grows weary of bitter economic medicine

Reorienting small, stricken economies through drastic measures can have a high political cost. In the first of a four-part series, Canute James looks at the search for alternatives

SEVERAL Caribbean countries, hit by weak markets for their commodity exports, have been forced to take sometimes drastic measures to stabilise their economies. But for many, the medicine has been bitter and the corrective measures have carried a political cost for some governments.

In all three, however, the governments have had to contend with widespread public disaffection with the austerity measures and other changes in policies which are intended to deal with top-sided economies. It is widely held that the defeat of Jamaica's conservative Labour Party in last February's election had much to do with the social cost of the structural adjustment programme implemented by Mr Edward Seaga, the former prime minister.

Weak demand for bauxite in the early 1980s, combined with increased oil prices, unravelled Jamaica's economy. It was the subsequent fall in oil prices which damaged Trinidad and Tobago's petroleum-based economy, while Guyana, whose economy is also based on commodities, found it difficult to pull itself out of almost a decade of stagnation.

The countries faced increasing problems in financing their imports as their balance of payments deficits widened, and they could not expand exports because they were not competitive. Currency devaluations to increase competitiveness dampened consumption of imports, which became more expensive. In these small open economies which have to import prices rose, increasing the unpopularity of the measures.



CARIBBEAN structural adjustment

Colombian judges back extradition procedure

By Sara Kendall, in Bogota

COLOMBIA'S Supreme Court judges have approved the extradition procedure introduced by the Government in its anti-drug package on August 18.

There are no alternatives to structural adjustment for countries in this part of the world, says Mr DeRoy Lindsay, executive director of the Private Sector Organisation of Jamaica.

Two "extraditables" are currently being held in Bogota - Ana Helena Rodriguez, who will probably be sent to the US for trial in the next few days, and Everisto Porras, the most important figure captured so far.

Dominican Republic general strike call

Sporadic street protests against an increase in petrol prices continued in the Dominican Republic yesterday, with some political parties and trade unions calling for a general strike, Canute James reports from Kingston.

Peru seeks IMF payment cut

Peru has asked the International Monetary Fund to reduce the size of a loan payment it seeks from the country as a first step in reaching a settlement, says a source familiar with the negotiations. Further reports from Lima.

Gorbachev message for Ortega

Soviet Foreign Minister Edvard Shevardnadze was to meet Nicaraguan President Daniel Ortega yesterday but an official report said they would not discuss Soviet aid to the leftist government, AP reports from Managua.

Canada plans to slash rail network by more than half

By Our Foreign Staff

THE Canadian government plans to cut the size of the country's passenger rail network by 51 per cent, Mr Benoit Bouchard, the Transport Minister, said yesterday.

Before the announcement, there had been considerable speculation that one of the services - from Calgary via Banff to Vancouver across the Rocky Mountains - would be privatised, or given over to provincial operation.

US considers tough line on Pretoria sanctions

By Peter Riddell, US Editor in Washington

THE BUSH Administration is seeking to put off Congressional pressure for additional sanctions against South Africa, though warning that these may have to be reconsidered next summer unless the Pretoria Government takes specific steps to dismantle apartheid.

Mr Herman Cohen, the assistant secretary for African Affairs, has this week told the Senate Foreign Relations Committee that, while he opposes further sanctions now, "sanctions have played a role in stimulating new thinking within the white power structure."

The State Department report required under the 1986 sanctions legislation, in effect, argued for the de Klerk Government to be given time to prove itself. It says that "further sanctions are not needed at this time and would be counterproductive in view of steps being taken within South Africa."

Mr Cohen said the administration was committed to the effective enforcement of existing sanctions "in the hope and expectation that positive signs of a commitment to change will appear in the near future. For the first time in years it is possible to be somewhat hopeful that a negotiation scenario may be just beyond the horizon."

However, Mr Cohen combined this plea for a deferral of consideration of new sanctions with a statement that Washington was looking for definite

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George Bush meets Soviet Defence Minister Dmitri Yazov (centre) at the White House yesterday

Shining outlook for US gold mining

GOLD OUTPUT from the United States is projected to rise sharply in coming years and will enable the mining industry to export about 85m grams (three million ounces) of the precious metal annually by 1992, a major trade association said yesterday, Reuter reports from Washington.

The Leading Hotels of the World advertisement with contact information in various languages.

WORLD PULP AND PAPER advertisement for a survey by the Financial Times.

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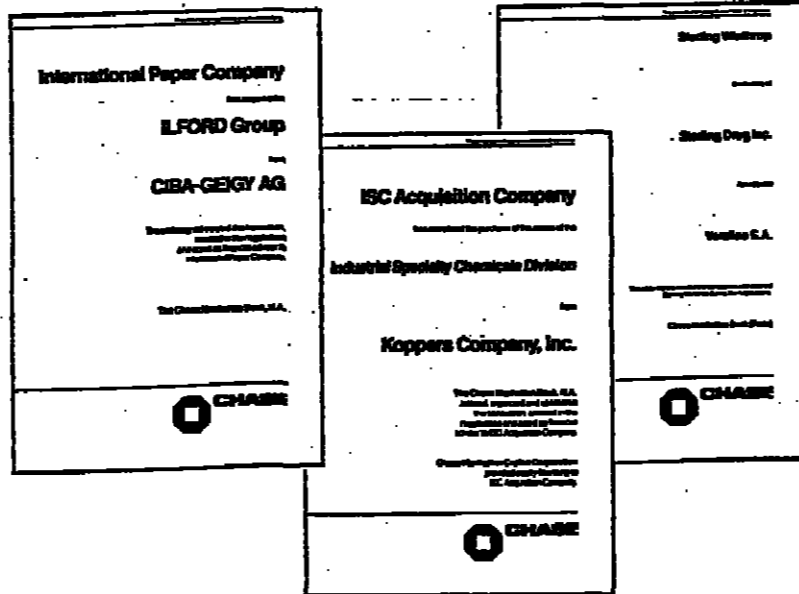
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OVERSEAS NEWS

Pakistan rejects Kabul charges on Geneva Accords

By Michael Littlejohns, UN Correspondent

PAKISTAN yesterday rejected the Kabul Government's charges of Pakistani violations of the Geneva Accords on Afghanistan calling them "false propaganda" that had been backed by military pressure through missile attacks and sabotage.

Mrs Nusrat Bhutto, mother of the Prime Minister, Mrs Benazir Bhutto and senior minister in her Cabinet, told the UN General Assembly that Pakistan would not be intimidated but would remain steadfast in seeking a comprehensive political settlement of the Afghanistan problem.

"The Kabul regime has been rejected by the Afghan people and is sustained within a few strongholds through massive infusions of foreign arms," she said.

She accused "the discredited Kabul regime" of having refused to transfer power peacefully and of hoodwinking its own people and the world in a desperate bid for survival.

As she spoke, foreign ministers of the Islamic Conference were meeting in New York to endorse a draft resolution initiated by Pakistan and formulated by a co-ordinating group of Islamic states. The proposal was for submission to the General Assembly when it takes up the Afghanistan question towards the end of October.

The draft was discussed over the weekend in a two-hour meeting between the Soviet Foreign Minister, Mr Eduard Shevardnadze, and his

Indian car maker shaken by confident workforce

David Housego on how Telco's previously tranquil industrial relations have broken down

THE STORY of how Telco, India's largest vehicle manufacturer and part of the Tata empire, with an almost unbroken record of good industrial relations, has been plunged into the worst labour conflict in its history, tells a lot about the changing face of industrial relations in India.

In a continuingly tense situation in Pune, Mr Rajan Nair, the charismatic young union leader at the heart of the conflict, was freed from custody on bail yesterday but denied entry to Pune. Telco management fear that at a meeting of workers outside the town today he will intensify the battle against the company.

Mr Nair's key demands are that he be recognised as the leader of the main union and that suspension notices be withdrawn against 135 employees.

Most of the 3,000 workers arrested last week in the wake of a 10-day hunger strike were also offered bail yesterday on promises of good behaviour. At the giant Telco plant on the outskirts of Pune, the management said 2,250 production workers had turned up for

work - marginally higher than on Tuesday and equivalent to about a quarter of the assembly-line labour force.

Telco is the biggest industrial group on the west coast of India and the outcome of the confrontation will affect industrial relations in other plants in the region. Bajaj Auto, India's largest motorcycle group, is now negotiating a three-year agreement with its workers.

The Telco management accepts that it has made mistakes in its handling of labour issues. Like many of the big companies in the region, its attitude towards labour has been benevolently authoritarian. It bought industrial peace by setting up a house union - the Telco Kamgar Sanghathana (TKS) that Mr Nair has now taken over - and switching union militants to different jobs at the first sign of trouble.

Mr Nair, articulate, courageous, bearded and with sharp, penetrating eyes, first won popularity in the 1970s by standing up to management. By winning concessions over such issues as loss of housing allowance for absenteeism, he showed that aggressiveness

could pay. Another union leader in Bombay, Dr Datta Samant, also working outside the main union movement, has blazed a similar trail.

Telco has been slow to adjust its labour practices to a workforce that is more militant and better off. The Telco plants at Pune were built on green-field sites 25 years ago and recruited migrant centre of Pune - thus taking an industrial dispute out of the factory and on to the street - that has angered other industrialists.

Taken together, Mr N J Soonavala, Telco's deputy manager in charge of Industrial Relations, feels that all these elements add up to a situation comparable to the violent battle in the Japanese car union, which Mr Nair had no trouble in branding as a creature of the management.

Company officials speak in awe of the speed at which Mr Nair stamped his influence on the shop-floor. Even from outside the plant, he established a system of communication that enabled his orders to be known through the factory and carried out within an hour. The workforce were forced to carry coloured badges which denoted their position in the union. Mr Nair began to halt direct communication between management and workers, thus making the union the only intermediary.

The crunch came on September 19 when the management signed a pay agreement with the new union. Mr Nair responded to this challenge by calling for an indefinite hunger strike in a main square in Pune. At the height, 5,000 workers participated.

The government had attempted mediation in an effort to keep the plant open. But when this failed and it looked as though the Mahatma Gandhi-style protest could end in deaths which would be blamed on the company or the

Company officials speak in awe of the speed at which Mr Nair stamped his influence on the shop-floor

industry during its accelerating growth in the 1950s. "We are going through that phase," he says.

The serious stoppages at Telco's two Pune plants, which employ 13,000 people in all, began in May. Mr Nair had taken control of the union in 1987 after winning 94 of the 42 seats on the executive committee. He was elected working president in July last year, having already been suspended from the company. In February this year, the company backed the setting up of a new house

Peking and HK clash over repatriation case

By John Elliott in Hong Kong

The Chinese government yesterday warned that its future co-operation with Hong Kong had been "marred" because the British colony had allowed a Chinese swimmer to fly to the US on Tuesday night instead of repatriating him home.

This is the latest of a series of clashes between Peking and Hong Kong since the June crisis in China. It illustrates the sensitive relations between the two at a time when Peking is closely watching events in Hong Kong which revert to Chinese sovereignty in 1997.

The swimmer, Mr Yang Yang, had been in Hong Kong as a legitimate visitor since March. According to local officials he had no known links with the Peking students' movement. His visa expired in August. He applied for asylum and was then held in detention for 10 days for overstaying the visa limit.

He was offered refuge by Taiwan, which is planning to give resident permits to between 60 and 100 Chinese student activists believed to be in hiding in Hong Kong.

The Hong Kong authorities decided that world opinion would not allow it to send Yang back to China. But it did not want to encourage Peking unnecessarily by sending him

Israelis cautious on peace talks

By Hugh Carnegie in Jerusalem

ISRAEL'S inner cabinet is today likely to delay its reaction to Egyptian proposals for Israeli-Palestinian peace talks, despite pressure from the US to reach a decision. The proposals have divided the main coalition partners.

President Hosni Mubarak's suggestion that Israel and Palestinian delegations meet in Cairo to discuss elections to end the 21-month Palestinian uprising in the occupied territories has the backing of Washington and the Israeli Labour Party.

But the Likud party, led by Mr Yitzhak Shamir, the Prime Minister, has balked at the idea, seeing it as a concession to the PLO Liberation Organisation. Labour is reluctant to break up the government over the issue at present. The two parties are thus expected to allow themselves more time to work on a compromise - perhaps involving further talks with Egypt on the make-up of any Palestinian delegation although the delay could choke off the breakthrough.

Reuter adds from Cairo: Egypt, backed by the PLO, has put forward the names of 12 Palestinians to sit at the negotiating table in a proposed first meeting between Palestinians and Israelis, Palestinians said yesterday.

They said Mr Mohammed Mubarak, former mayor of the West Bank town of Hebron, and Mr Akram Hamzah, editor of Ahsaab newspaper, published in East Jerusalem, were the two non-resident Palestinian nominees.

Mr Mubarak carried the names with him to Washington when he met President George Bush and Secretary of State James Baker this week, the Palestinians added.



Yasser Arafat, the PLO chairman, being welcomed to Peking by President Yang Shangkun with a review of troops yesterday

Israeli taxman called in to fight intifada

By Hugh Carnegie in Beit Sahour

WHEN Jamal Banura welcomed visitors to his home in the West Bank town of Beit Sahour yesterday he apologised for having to seat them on mattresses arranged neatly on his living room floor.

Over the last two weeks, the Israeli authorities have responded to Beit Sahour's civil disobedience - the townspeople's slogan is "no taxation under occupation" - by launching a systematic operation of property confiscation, accompanied by prolonged curfews, which has brought allegations of brutality and deprivation from Palestinian leaders and organisations.

The Beit Sahour campaign marks a significant development in the intifada. The emphasis by the town's middle-class - but traditionally militant - inhabitants on civil disobedience presents a very different challenge to the Israelis from the staple uprising of stone-throwing, petrol bombs and rioting.

Some Palestinian leaders looking for ways of extending the uprising, without taking the drastic step of resorting to arms, consider civil disobedience the main option.

So far, the people of Beit Sahour show little sign of backing down, despite the confiscation of property from 80 homes, workshops, businesses and stores estimated in value at around half a million dollars or more.

Mr Michael Sales, a 61-year-old carpentry workshop owner, 10 days ago had five wood-working machines, a paint compressor, two cars and an electric organ worth a total of \$15,000, confiscated from his business and home. But, like

Mr Banura, he says he has no intention of paying up. "We in Beit Sahour have decided that even if they confiscate everything - even our houses - we will not give in."

Feelings over the issue among Palestinians are exacerbated by what they see as arbitrary and unreasonably high tax demands from the authorities, by the lack of services they receive in return and by what they allege is the illegality of Israeli taxation in the territories. The authorities respond that they are simply enforcing the law.

But essentially the Palestinians regard the issue as much more fundamental than that. The tax boycott, says Mr Sales "is an inseparable part of the intifada. The Israeli aim is not really to collect taxes, but to break the back of the intifada."

Pope will find Catholic Church working to break down Korean barriers

By Maggie Ford in Seoul

THE VISIT of Pope John Paul II to South Korea, home to the second largest Christian population in Asia, could hardly come at a better time for both the church and the country.

Not only will the Polish Pope find South Korea in a state of democratic change not unlike that of his homeland, but he will also find his church engaged in helping Korea achieve its other great goal - a breakdown in the barriers between the two halves of the peninsula.

It will be the Pope's second trip to South Korea. In the five years since his previous visit, he will find his flock has grown from 1.5m to 2.5m Catholics, Christians now make up 29 per cent of the population of 41m.

He will also find that the church has at last made a breakthrough in improving relations with communist North Korea. The first two Christian churches opened in Pyongyang last year. He may even be able to meet delegates from the North who have been invited to the World Eucharistic Congress, the occasion of his visit to Seoul.

South Korea's Catholic Church has long been a supporter of democratic change in

Clouds gather as Seoul's politicians face difficult session

Maggie Ford reports on growing resistance to the institutions of democracy among those who wield power in S Korea

South Korea, just as it has been in Poland. Mr Kim Dae Jung, the main opposition leader, is a Catholic and Seoul's main cathedral has often provided sanctuary for dissidents and students persecuted under military regimes.

But since the democratic demonstrations in 1987, when the government gave in to public demands for elections and other freedoms, the church has devoted more effort to promoting better relations with the communist North, estranged from the South since the Korean war ended in 1953.

Senior bishops and Stephen Cardinal Kim Sou Hwan, have adopted a cautious approach, which has not always satisfied the desires of other church members for speaker movement towards reunification of the two Koreas.

While the church has not been able to prevent some of its members from making independent visits, it has disapproved of their actions, preferring to go through government channels.

Last month these more cautious efforts bore fruit, when an official request to invite 20 North Korean Catholics to attend the congress was approved by the South Korean Unification Ministry. If the North Koreans accept the invitation, it will be the first religious visit between the two sides for nearly 40 years.

Mr Lee Hong Koo, the Unification Minister, said the church's request was precisely the kind of approach the government wanted to encourage so as to build relations with the North.

100 die in Natal rival political fighting

By Hugh Carnegie in Johannesburg

About 100 people have died in clashes between rival black political groups in Natal since peace talks between the two sides broke down 10 days ago, Partii Waldmeir writes from Johannesburg.

Officials representing the Congress of South African Trade Unions (Cosatu) said yesterday they feared a serious increase in violence, which has already led to the deaths of some 2,500 blacks.

Supporters of Cosatu and the banned United Democratic Front have been clashing with supporters of Inkatha, the political organisation headed by Zulu Chief Mangosuthu Buthe, for over two years.

Cosatu officials said that the level of violence had increased, with pitched battles between armed men in townships near Durban, following Chief Buthe's decision to suspend talks 10 days ago.

Delhi blast kills 5

By Hugh Carnegie in New Delhi

A powerful bomb exploded in a congested shopping district of the capital Wednesday, killing at least five people and injuring 13, AP reports from New Delhi.

Police said that the blast rocked the Sadar Bazaar in northern New Delhi and was apparently due to a land feud between two families.

Four of the victims belonged to the family of Abdul Razak, the 65-year-old operator of a scooter stand who owns the land. His wife, sister and two granddaughters, ages 4 and 8, died in the blast.

Ugandan mandate
Ugandan President Yoweri Museveni has proposed extending the mandate of his provisional government for a further five years, Reuters reports from Kampala.

Museveni's National Resistance Movement (NRM), which fought its way to power in January 1986 after a five-year civil war, originally gave itself four years to return the country to civilian rule under a new constitution.

But the government did not appoint a commission to draft a new constitution until last February, and it has been apparent for some time that the NRM will be unable to meet its original January 1990 target date for return to civilian rule.

UK NEWS

Opposition Labour Party reveals leaked privatisation prospectus Water sale 'at consumers' expense'

By Michael Cassell, Political Correspondent

BRITAIN'S privatised water companies will be given wide additional scope to raise charges, according to a draft of the industry's flotation prospectus leaked to the opposition Labour Party.

The party at once claimed that "catch-all" provisions meant water prices would rise "for the slightest reason."

Mr John Cunningham, the party's environment spokesman, said the arrangements handed unprecedented powers to private water monopolies at the expense of consumers.

Mr Cunningham said the projected figures in the document, which show some water companies expecting up to threefold increases in profits over the next 10 years, reveal that the industry expects to pay out about £54bn in dividends over the next decade.

The draft identifies changes in UK legislation, new European Community laws and alterations to regulations and grants as among the grounds for asking the director general of water services, who is responsible for the economic regulation of the industry, for higher prices.

The document, which includes a warning to potential investors that the UK faces EC legal proceedings over drinking water standards, also says that water companies may seek price changes in any circumstances which could not have been avoided by "prudent management action."

Mr Cunningham claimed that the qualifying conditions attached to applications for additional price rises had driven an average "as wide as the Channel tunnel" through the privatisation legislation.

He said the projected cash flows for the water companies showed there would have to be significant, extra price rises if they were to achieve required levels of returns.

Mr Cunningham acknowledged that the sale of the water companies was likely to

prove successful, describing it as a give-away. He added: "The arrangements ensure that privatisation will be a success. I have no doubt that people will find it attractive."

Labour analysts at the Brighton party conference suggested that the draft prospectus showed the industry sell-off would raise £7.2bn, excluding the proceeds of the sale of South West Water, one of the 10 water companies, the figures for which are not included in the leaked draft.

They also said dividends in the first year would range from 2.6 per cent to over 11 per cent. Dividends from all water companies in the first decade would average 6.5 per cent.

Mr Chris Patten, the Environment Secretary, said yesterday that Labour had not made any new disclosures. The ability of water companies to apply to raise prices had been public knowledge for months.

He added: "It is not surprising if we want to raise quality they will have some need to finance investment."

Richard Evans adds: The draft confirms the view that water industry leaders secured big concessions from the Government in the final, fraught negotiations over charging policy for the next 10 years.

The industry was determined to press for high charges to help pay for the £18bn of capital expenditure needed to bring water quality and the industry's assets up to standard. Ministers were equally determined to keep the K factor - the amount charges can rise above the retail prices index - as low as possible for political reasons.

Labour backs new employment law plan

By John Gapper, Labour Correspondent

THE LABOUR Party yesterday committed itself to a new framework on employment law extending the right of workers to take industrial action and probably involving a system of specialist labour law tribunals.

The party's conference in Brighton rejected a call from Mr Arthur Scargill, president of the National Union of Mine-workers, for industrial action with or without ballots and a return to mass picketing.

However, Mr Michael Meacher, Labour employment spokesman, emphasised that some secondary action would be allowed and some employees might be forced to recognise unions by a tribunal which could investigate recognition claims.

The conference decision was a further boost for the leadership's attempt to swing the party behind its policy review. However, it leaves unresolved details of how the new employment framework would work.

A motion calling for the complete removal of restrictions on rights to picket and strike was rejected by 3.8m votes to 2.2m.

Minister reverses new town decision in policy shake-up

By Andrew Taylor, Construction Correspondent

MR Chris Patten, Environment Secretary, yesterday proposed making radical changes to Government planning policies affecting rural and urban housing.

Mr Patten, who has been given the task of improving the Government's image on green issues, rejected plans to build a new country town in north-east Hampshire.

This reversed the decision of the previous Environment Secretary, Mr Nicholas Ridley, who said in July that he was "minded" to approve development of the town, Foxley Wood, near Fleet.

Consortium Developments, a group of 10 householders which proposed the settlement last night attacked Mr Patten's decision as a fudge which had been rushed out to win cheers at next week's Conservative party conference.

Conservative party members have been deeply critical of the Government's handling of planning issues and for its failure to restrain development in south-east England.

Mr Patten said that the Government proposed to withdraw planning guidelines which since the early 1980s had advised local authority plan-

Council 'faces tough future'

By Robert Mauthner, Diplomatic Correspondent

THE BRITISH Council, the principal agency for developing Britain's cultural relations around the world, faces a difficult financial future despite a substantial increase in its earnings and efficiency savings.

Sir Richard Francis, the council's director-general, presenting his organisation's annual report for 1988-89, said yesterday that last year saw a record demand for the council's services.

An increasing number of countries wanted more British culture, educational services, technical skills and business know-how.

The council's total programme, of just under £200m, increased by more than 8 per cent, a growth of 4 per cent in real terms. Total earnings reached £68m, of which £44m was in the form of revenue, mostly in foreign exchange, a rise of 15 per cent.

Those results, with efficiency gains of 1.5 per cent in staff and running costs - which were better than the general government target of 1.5 per cent - had not been sufficient to bridge the shortfall in funding.

Activities in Western Europe and other key areas have had to be reduced to close the gap.

The Government's announcement last November of an increase of £2m in the council's grant for 1989-90 has therefore been welcomed by the council.

The increase was a reward for the council's successful efforts to develop its revenue-earning activities and to become less dependent on the government grant.

The extra funds, the first increase in real terms for 13 years, will be spent largely on priority regions such as Western Europe, Eastern Europe, the Soviet Union and the Pacific Rim.

"We regard the new money as a gesture of confidence in the work of the British Council and in the value of investing in British culture abroad," Sir Richard said in the introduction of the council's annual report.

"It must be noted, however, that present projections of inflation during the three years 1990 to 1993, the purchasing power of our government grant is set to fall by 20m."

Meeting such a shortfall would not be easy, he said.

Only if Britain's overseas investment was protected from the worst effects of UK inflation and the direct government grant was increased would the council be able to satisfy the expanding foreign demand for British culture, Sir Francis said.

The council's most successful and profitable activity remains the teaching of English to students abroad.

Its network of 52 overseas language centres had a turnover in 1988-89 of £25.3m and a record enrolment of 65,000 students, an increase of 93 per cent in the last five years.

Sponsorship from business for the council's activities more than doubled to £1.9m last year.

One of the most important new developments was a jointly funded programme with Rank Xerox, the US office equipment group, worth 1.6m for management training, scholarships and arts events in Eastern Europe, the Soviet Union, Africa and India.

Buyer sought for insolvent TV maker

By James Sutton, Scottish Correspondent

HINARI, a British consumer electronics company, yesterday called in administrators from the insolvency practitioners Cork Gully.

The administrators hope to find a buyer for the company, which appears to be insolvent and is believed to have debts of about £30m. Administration allows a company to continue trading while a moratorium is placed on creditors, with a view to salvaging its business and avoiding receivership.

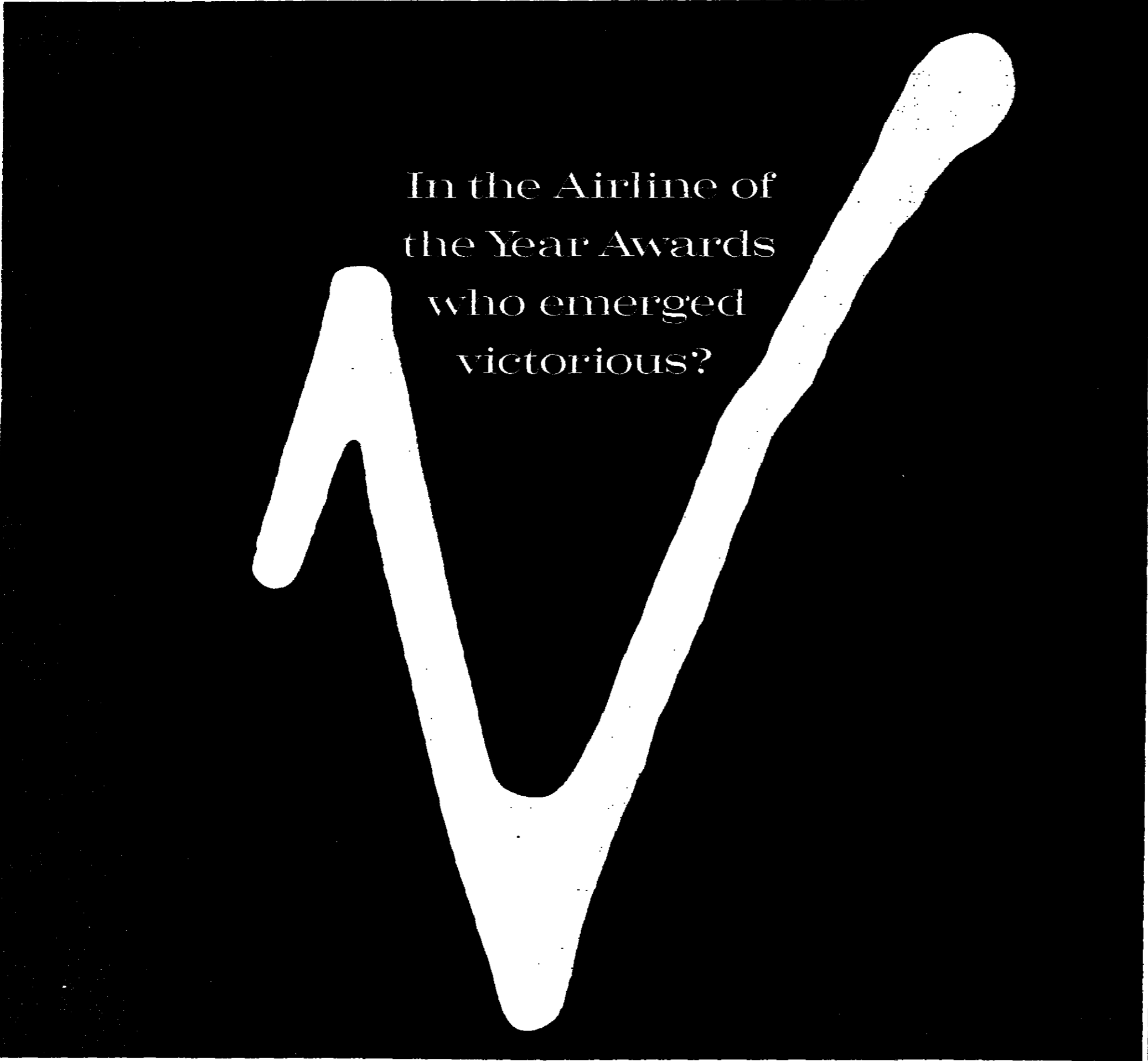
Hinari, which has annual sales of about £20m, has grown rapidly since it was founded in 1985 as a supplier of televisions, video recorders and audio equipment. It imports most of its products from the Far East but recently began manufacturing televisions at Cumberland, near Glasgow in Scotland. It also operates in Spain and West Germany.

The calling in of administrators will be seen as a result of a weakening of the consumer electronics market by high interest rates.

It emerged last week that Mr Brian Palmer, the founder of the privately owned company and its biggest shareholder, had resigned as chairman and managing director. He was replaced six weeks ago by Mr John Robinson, former managing director of Electronic Components, a British electronics components supplier. Mr Palmer built up Hinari and selected a Japanese-sounding name for it to increase customer acceptance.

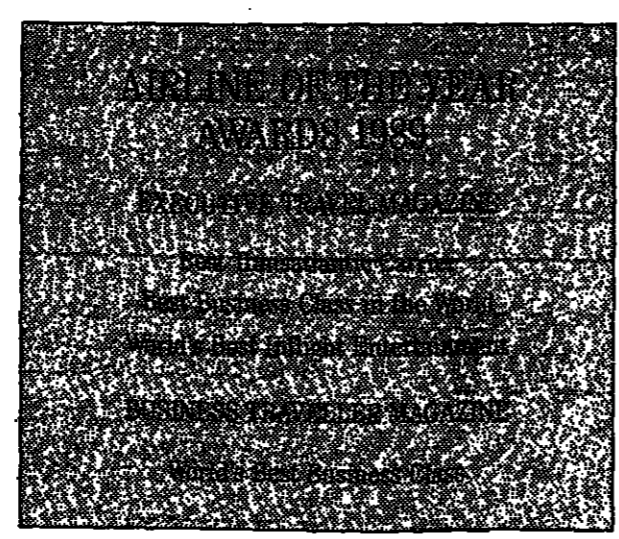
Last year a consortium led by Hill Samuel invested £4m in the company, taking a 14.4 per cent stake.

Mr Frank Blin of Cork Gully said every effort was being made to ensure continuation of the business while seeking a buyer.



In the Airline of the Year Awards who emerged victorious?

At the 1989 Executive Travel Airline of the Year Awards, it was Virgin Atlantic who won the day. Those most demanding and, dare one say, discerning of people, the readers of Executive Travel Magazine voted Virgin Atlantic, Best Transatlantic Carrier.



to and from the airport plus a free economy stand-by ticket! On the plane there are first class sleeper seats that, miraculously, you can actually sleep in and on-board bars and lounges.



LONDON NEW YORK JFK AND NEWARK MIAMI MOSCOW TOKYO

COMBAT STRESS

'Perhaps the bravest man I ever knew...' and now, he cannot bear to turn a corner

Six-foot-four Sergeant 'Tidy' STYR, DCM, was perhaps the bravest man the Colonel ever knew. But now, after seeing service in Aden, after being hooped, trapped and ambushed in Northern Ireland, Sergeant 'Tidy' cannot bear to turn a corner. For fear of what is on the other side.

Form for Ex-Services Mental Welfare Society, including fields for name, address, and contact information.

UK NEWS

Leeds Permanent to close 60 branches

Leeds Permanent, the fifth largest UK building society, plans sweeping changes in commercial strategy with the closure of many of its branches and the loss of 150 jobs, writes David Barchard.

Mr Mike Blackburn, chief executive, said yesterday that 60 of the society's 481 branches would be closed. Redundancies among Leeds Permanent's 4,500 staff will in many cases be achieved through voluntary redundancy or early retirement.

The closures follow similar moves last

week by Nationwide Anglia which is shutting down 150 of its more than 800 branches.

This unprecedented retrenchment among building societies reflects the recognition that the institutions must now operate in more competitive markets.

Leeds Permanent is to concentrate on areas where it is strongest, its traditional mortgage and savings business, and will probably avoid further diversification into retail banking.

This strategy contrasts with the launching of a Visa credit card by Leeds Permanent last year. Mr Blackburn said yesterday that this was not expected to make any profit in its first two years.

The cutback will be accompanied by a programme of increased investment on systems and technology. Leeds Permanent is planning to invest £23m in new technology next year in addition to £14.5m invested in the past year.

Halifax profits rise despite downturn

By David Barchard

DESPITE the downturn in the housing market, Halifax, the largest UK building society, yesterday reported higher first half profits.

The home loan institution made pre-tax profits of £237.7m in the six months ending July 31 compared to £223.3m a year ago. The result was described by Mr Jim Birrell, Halifax's Group Chief Executive, as "very satisfactory."

A week ago Abbey National, Halifax's chief rival, reported pre-tax profits of £201.1m virtually unchanged from a year ago. However Abbey National

achieved its result on a much smaller balance sheet. It has assets of £33.7bn compared to Halifax's £42.5bn.

Mr Birrell said that the result was pleasing because during the period Halifax had been hit by two exceptional losses. These include a handling of £22m for the Burrells Wharf project to Kentish Property Group, the Dockland developer and losses on estate agency operations of £14.5m.

However, the results show a dramatic downturn in the markets on which Halifax and other building societies rely.

The number of new mortgage loans made by the society fell from 150,000 a year ago to 97,000 this year, a drop of 35 per cent.

The number of loans to first time buyers - to whom much of Halifax's advertising is addressed - fell by 33 per cent, to 33,000. Total new mortgage lending by the society was £4.1m compared to £5.5m a year ago.

Halifax said that it had held its share of net mortgage lending in the building society market stable at around 13 per cent.

On the other side of its business, net receipts of wholesale funds and retail savings fell from £3.05bn in the first half of last year to £1.9bn this year.

Most of this inflow of funds was from savers rather than the money markets, although the building society did not provide specific details of savings inflows.

The society's capital ratios have improved slightly despite the depressed state of the market.

Its gross capital ratio rose from 4.79 per cent at the start of the year to 4.96 per cent.

Honda UK car plant 'to source mostly from Britain, Europe'

By John Griffiths

HONDA, Japan's second biggest carmaker, expects British and Continental suppliers to supply most of the components needs - worth £600m-£800m a year - for its UK car production plant Mr Tadashi Kume, the company president, said yesterday.

At the formal opening of an engine plant at Honda's 367-acre site - which is already making engines for the new Rover 200/Honda Concerto models - Mr Kume said he did not exclude the possibility that some Japanese component makers would set up plants in the UK to supply Honda.

But Honda was "completely satisfied" with the quality of components from European suppliers, which Mr Kume expected to remain the prime source for Honda's components after target production of 100,000 cars a year is reached in 1995.

Honda of the UK Manufacturing (HUM) is preparing to start construction of the £300m car plant beside the Swindon engine unit. In the 12 months from late 1991 it will assemble cars, mostly from Japanese parts, but HUM has promised to try to reach at least 80 per cent European content within 18 months of regular production starting in late 1992.

Mr Kume yesterday quashed speculation that the Swindon site would produce Honda's Accord model - it would build a "completely new" car developed solely by Honda, but carrying both Honda and Rover badges.

Both companies refused to discuss the financial aspects of their "statement of understanding" signed in July to strengthen their collaboration, part of which provides for Honda to acquire a 30 per cent stake in Rover Group and for

Rover to take a 20 per cent holding in HUM. Mr Kume said a formal agreement on the terms of the equity arrangements was expected to be completed by the year end. Only a small amount of cash is understood to be involved.

Both companies rejected any possibility that the shareholdings might later be increased. It remains unclear, though, if Honda plans eventually to raise UK output above the 100,000 cars a year target. Toyota's plans output of 200,000 cars a year from its plant at Derby, and Nissan executives have indicated that UK production is likely to double to 400,000 in the late 1990s.

Mr Kume said Honda had no plans to increase output beyond the stated level. But he added: "Ultimately we would like to make the plant capable of exporting to other parts of the world outside Europe."

Steering group prepares for clearing house

By Richard Waters

A STEERING GROUP of leading City of London institutions has been set up to prepare the way for a new independent clearing house for stock market transactions.

The clearing house is seen as one of the most important elements in London's range of services as a leading financial centre. It is planned in response to fears that the weakness of the current clearing and settlement systems, exposed in the run-up to the stock market crash two years ago, could undermine international confidence in the London equity market.

The formation committee, expected to be announced today, will decide on the ownership, structure and constitution of the clearing house. The decision to spin clearing and settlement off from the Stock Exchange, where it has traditionally been handled, was taken in July.

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UK NEWS

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Euro Disneyland needed the world's most prestigious banks to finance the first phase of its theme park and resort. To arrange and lead manage the \$1 billion multi-currency loan with a consortium of 37 banks, BNP came forward with the solutions best adapted to this challenging task. BNP is a leader in project financing, at home in Europe, at home in the world.



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BNP. The official bank of the Magic Kingdom at Euro Disneyland.

Anglo Irish Conference sticks on security issue

Kieran Cooke previews today's London meeting

TRY as it might, the Anglo Irish Conference never seems to get much beyond discussing security issues. The conference, set up under the 1985 Anglo Irish Agreement, meets again today in London - once again security questions will top the agenda.

Of immediate concern is the growing series of security leaks in Northern Ireland, mainly of documents about terrorist suspects in the nationalist community to loyalist organisations and the press.

The latest allegation is that an "Inner Circle" within the Royal Ulster Constabulary, the Northern Ireland police force, has drawn up lists of nationalist terrorist suspects and pledged to bring down the Anglo Irish Agreement.

Mr Hugh Annesley, the new chief constable of the RUC, has dismissed the reports as "arrant nonsense," but the matter is likely to form part of the widening enquiry on the leaks issue being conducted by Mr John Stevens, the Deputy Chief Constable of Cambridge.

The main bone of contention at today's London conference

meeting concerns the Ulster Defence Regiment, the mainly Protestant regiment which carries out more than 80 per cent of army duties in Northern Ireland. Dublin has frequently called for its activities to be limited and controlled - Mr Ray Burke, the Irish Minister for Justice, recently questioned the regiment's very existence.

Dublin politicians and leaders of the mainly Catholic Social and Democratic Labour party in Northern Ireland have been particularly upset by statements this week by Mr Peter Brooke, the Northern Ireland Secretary, confirming that the UDR will be issued with plastic bullets, a move which Dublin has always resisted strongly.

Mr Brooke said he was merely putting into practice a decision made by his predecessor Mr Tom King, and that the use of plastic bullets by the UDR would be subject to tight control. Dublin has described Mr Brooke's comments as "extremely unhelpful and regrettable" and feels his concerns, raised at the last conference meeting, have been brushed aside.

While Dublin has expressed

its worries about the security leaks allegations, it has been careful not to become directly involved until a fuller picture emerges.

Many in Northern Ireland feel that the whole question of the leaks has reached fairly ridiculous proportions. Much of the information seen so far has been relatively low-calibre and widely available - one theory is that it was released by hard-line loyalists to cause friction between London and Dublin and undermine the Anglo-Irish Agreement.

If this is so, the loyalists have had some success - relations between London and Dublin are more strained than for some time. But whatever the arguments at today's meeting it is likely that both British and Irish Governments will pledge themselves to continuing the Agreement.

Meanwhile, pressing issues such as discussions on reforms in the justice system in Northern Ireland and more cross border co-operation have been pushed to the sidelines by questions of security once again.

Pay for top executives in step with Europe

By Michael Skapinker

THE BASIC PAY of top UK executives is rising no faster than that of their European counterparts according to Charterhouse, the merchant and investment banking group. In its twice-yearly pay survey, Charterhouse said the pay of Britain's top managers is usually performance-linked. It added that the biggest increases are awarded in the largest companies, where competition for senior managers is most acute.

Charterhouse said that the typical senior UK executive saw basic pay rise by 12.4 per cent in the year to July - a net rise of 5.1 per cent after inflation. Belgian managers, by comparison, enjoyed a 4.9 per cent rise after inflation, while German and Dutch directors' pay rose 4.8 per cent after inflation and that of French directors went up by 4.6 per cent.

Charterhouse said that UK chairmen or chief executives typically saw total earnings (comprising basic pay and bonuses) rise last year by 17.8 per cent.

A quarter of all chairmen and chief executives won earnings rises of 7 per cent or less; a quarter won rises of 20 per cent or more.

Board members' pay rises were influenced largely by the size of the company. The typical base pay increase for all board directors was 12.6 per cent, and directors of companies with a turnover of less than £40m received 10 per cent. In large multinationals, directors received basic pay increases of between 15 and 20 per cent.

Charterhouse found 25 directors earning £500,000 a year or more. As its information is taken from published company accounts, its list is not comprehensive and excludes most private companies.

Lord Hanson, chief executive of the eponymous UK conglomerate, is the highest earning executive with total earnings of £1,200,000. Second is Mr Tony Rowland of Lonrho, followed by the highest paid director of Robert Fleming, who has not been identified. Sir Ralph Halpern, chairman of the Burton Group, is fourth.

European arms industry 'may be reduced to few leading players'

By David White, Defence Correspondent

EUROPE'S arms industry might be reduced to three or four "major players" by the mid 1990s, Professor Roland Smith, chairman of British Aerospace, forecast yesterday.

In a lecture to the Royal Institute of International Affairs he said a series of cross-frontier amalgamations would take place "unless individual European governments take it upon themselves to interfere with the progression of market forces."

"It would not be difficult to forecast a situation in which the European defence equipment industry will be forced to move quickly into complementary alliances, mergers and acquisitions so as to gain the economies of scale and to be

able to afford the research programmes to sustain advancing technology without too substantial a contribution from European governments."

That prospect was set against the background of defence budgets expected, at most, to grow in line with inflation.

Prof Smith called for "pan-European solutions to defence procurement" to strengthen the market base and enable European contractors to compete with US rivals. "Business considerations must be given prominence over national pride."

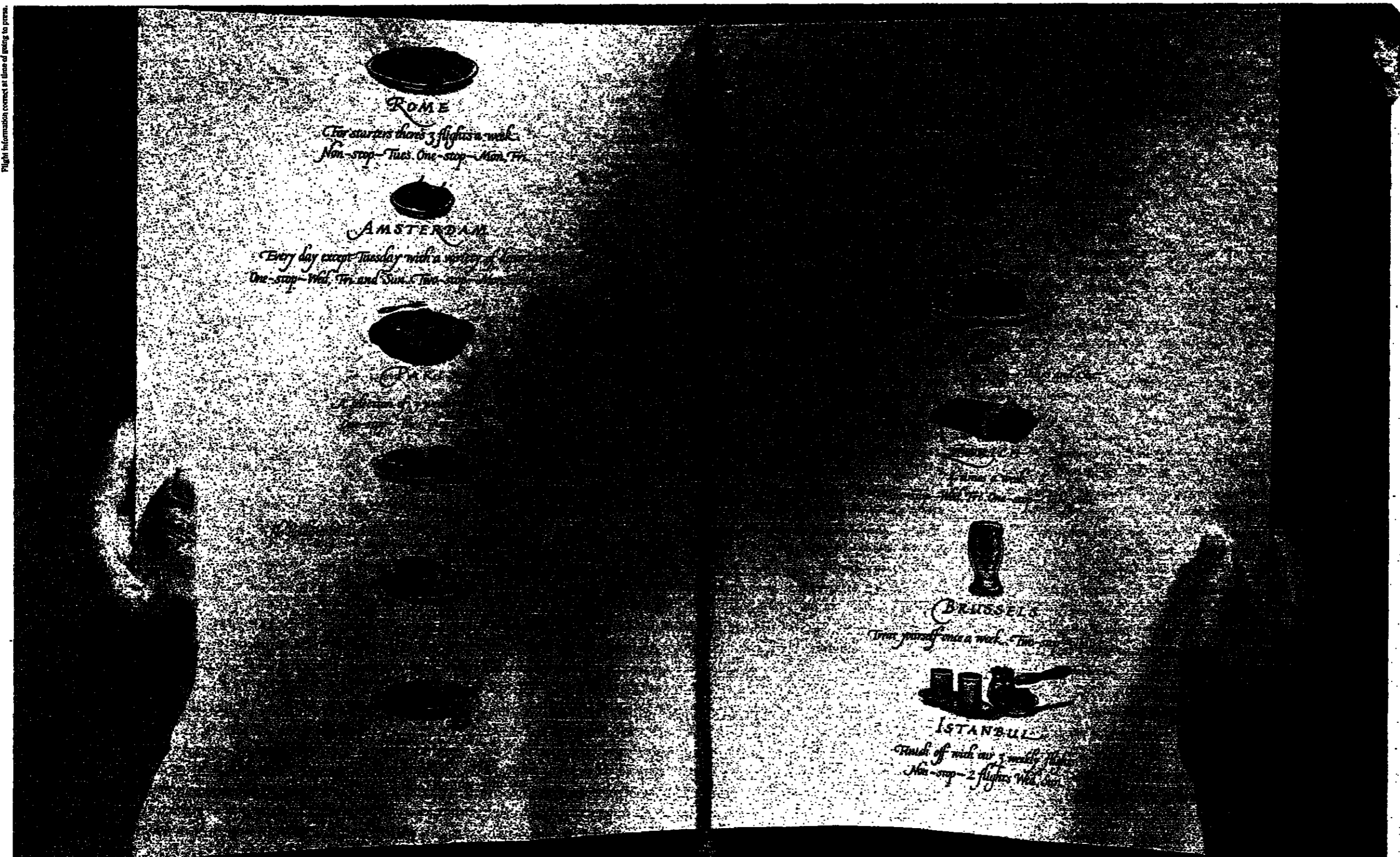
Prof Smith described it as a "tragedy" that France should have stayed outside the Tornado and European Fighter

Aircraft programmes. French aerospace companies had some of the most advanced technology and manufacturing processes in Europe, and European business could not afford to duplicate scarce resources in developing different aircraft.

He also called for a "less confrontational policy" between Britain and France on arms sales to developing countries. European companies could keep their place only through greater research efforts derived from the increased scale of businesses. They needed a more coherent export policy to avoid losing market share.

Closer European industrial co-operation should leave room for a continuing two-way relationship with the US, he said.

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TECHNOLOGY

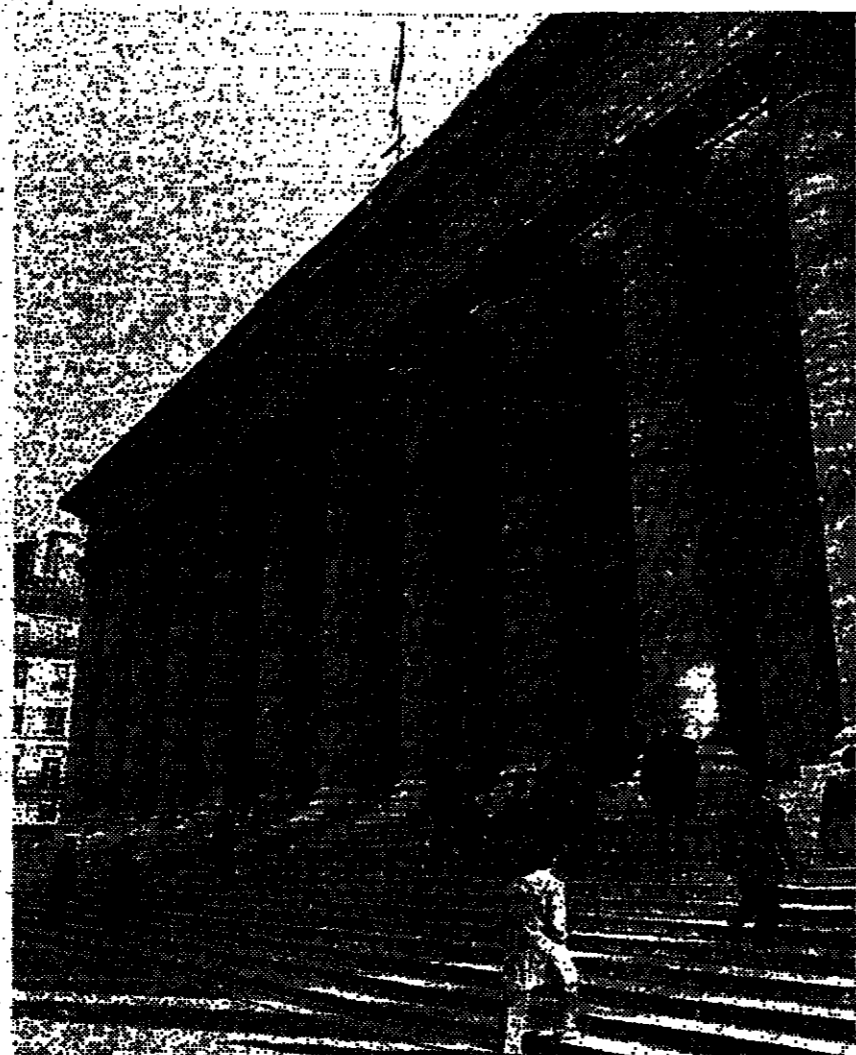
Alan Case on how the French stock exchange is modernising some of its procedures

High yield at the Bourse

The world's stock exchanges are gearing up for battle. In an increasingly competitive financial world, they are looking for ways to improve efficiency.

London, with its switch in 1986 to screen-based information services, has made the running in Europe. Other European exchanges, however, have been quick to use information technology to try to diminish London's lead.

The Paris Bourse, which is fourth largest exchange in the world behind New York, Tokyo and London, is carrying out a project to modernise its clearing and settlement procedures - something the London Stock Exchange is only beginning to tackle seriously.



The Paris project is making substantial use of computer-aided systems engineering (Case), where computer systems are used to write computer programs. It is a comparatively new but rapidly growing technology.

Once exclusively the preserve of specialists like Index Technology and Sage Software in the US and Systematica and Softlab in Europe, the technology is now being promoted by large companies. Computer firms apart, these include semiconductor house Texas Instruments, aerospace manufacturer McDonnell Douglas and management consultants Arthur Andersen.

Last month, International Business Machines, the world's largest computer manufacturer, added its presence to the list, announcing its own Case strategy under the name Applications Development/Cycle or AD/Cycle - typically impenetrable IBM terminology which conceals, experts say, significant advances in Case technology.

Julian Hewett and Tony Durham of the London-based consultancy Ovum argue in a study* about the development of Case systems that IBM's announcement will galvanise the Case industry. They say it will encourage suppliers to forsake attempts to develop Case strategies of their own in favour of products compatible with IBM's approach.

IBM, they suggest, will provide a Case framework into which other suppliers can slot their products. "Case is now an established technology," say Hewett and Durham. "It has overcome the credibility barrier, and is on its way to becoming one of the software industry's major product markets."

But why does a credibility barrier even exist? Of all businesses, surely the software industry takes its own medicine and uses computers to lighten the programming load?

Strangely enough it does not. The creation and testing of software has always been more craft than science; the result is that the delivery of finished software remains a hit-or-miss affair. Budgets and deadlines are

missed more often than not and a depressingly high percentage of new business software is never used. It is delivered so late that the business imperative has gone.

Case is an attempt to change that. It uses computer-based techniques to automate the use of a "methodology", a disciplined approach to project management, and computer-based methods to write and test computer code automatically.

According to the Ovum study, the Paris Bourse project is the largest project in the world to use Case methods. It originated after a review of clearing and settlement procedures ordered in 1986 by Edouard Balladur, then French Minister of Finance. The review was carried out by the US-based consultancy Arthur Andersen which went on to design and implement the new system, known as "Rali" (Reglement-Livraison de Titres).

Arthur Andersen stands apart from the other consultancies in the emphasis it places on the management of technological change. It has developed its own Case methodology (Method/1), a systems design product (Design/1) and software to generate computer code automatically (Install/1). The set of Case "tools" is called Foundation.

The Bourse project presented Arthur Andersen with a formidable task. It would involve the interconnection of 300 banks and 50 brokers with the capacity to handle 600,000 transactions every day. The software alone would involve 700 programs.

Some 500 people-months were taken up in the design phase; at the peak 250 people were working on the project. The overall task was divided into six sub-projects: three adjustment preparation systems (one for bank-to-broker transactions, one for broker-to-broker

transactions and one for trades outside the market); the settlement system; a system for maintaining common reference data; and the network for handling data communication between organisations over Transpac, the French packet-switched network.

While the system will not be completed until December 1990, testing has already started. Hewett and Durham report that all six sub-projects have been completed on time and within budget: "A remarkable achievement" they conclude, "for a project of this scale. Helping to manage risks is the strategic benefit associated with the use of Foundation. It is believed by the project's managers that controlling a project of such scale would be almost impossible without extensive help from tools - and, of course, a methodology."

The Paris team has tried to measure productivity gains using Foundation. They estimate that the use of Install/1 delivered direct productivity gain of 20 per cent during the implementation phase. For on-line programs, the code generator delivered a 30-40 per cent gain and for batch programs, 10 per cent. The mix of on-line to batch programs was 30:70.

Examples of success like the Paris Bourse (Hewett and Durham list from case histories including Aetna Life Insurance Corporation of the US, the UK's East Midlands Electricity company and Nykredit (Denmark)) suggest that Case's time has arrived.

The Ovum study sets out three management actions which it believes are necessary to achieve success:

- An initial "action of faith" when justifying Case. It is difficult, Ovum argues, to develop a cost/benefit analysis for the technology.
- A substantial investment. "Disaster faster" is the popular slogan used to refer to the results of poor introduction of tools.
- An understanding of the relationship between methodology, techniques and Case. Case tools support or automate methodologies, so automating a mess will only produce an automated mess.

Will Case help overcome the now endemic shortage of programmers? Not in the short term, Ovum says: "We expect Case to improve productivity dramatically as benefits start to be realised in maintenance (adding new material to old programs). But this is unlikely to have a significant impact this side of 1995. If anything, in the short-term Case requires more skilled developers to take advantage of the increasing levels of support and automation."

*Case: The Next Steps. Ovum Ltd, 01-255 2670, 2550 or 2994.

Briquettes for cleaner sewage

AS WORRIES about the safety of the UK's drinking water and cleanliness of its beaches grow, one company has developed a process which, it says, could solve both problems and provide an alternative fuel to coal.

R North & Associates of Exeter has developed a method of extracting water from domestic sewage sludge to produce hard briquettes the size of cricket balls, but weighing almost a kilo.

The briquettes can be burned in modified coal-burning power stations, treated for use as fertilisers, or dumped at sea. But because the briquettes are so compact - traditional sludge is 94 per cent water - they will sink to the sea bed where they will disintegrate, rather than washing up on beaches.

First, the raw sewage passes through a belt press to remove the water. The resulting cake, comprising 60 per cent water, is fed into a dryer, operating at 110 deg C, which produces dry flakes. They are then made into briquettes. One lorry-sized machine could produce 3.5 metric tonnes of dry material per hour - enough to service one large town.

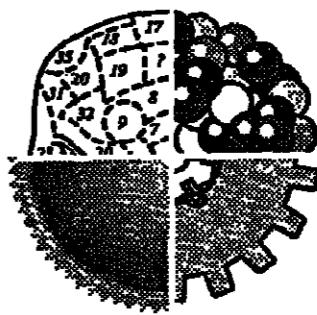
Less friction for more wear

WHEN TWO metal parts rub together they cause heat. That causes friction. And that causes wear.

So a thermal barrier which prevents the build up of heat will mean a longer life for engines, machine tools and any other process machinery where metal parts clash. Such a coating is being made by a US division of Motor Products Corporation, of Aix-en-Provence.

Turbolon, as it is called, comprises a chemical ingredient in a petro-chemical base, and works by permeating the metal. Small particles penetrate the structure to a depth of 0.15 to 0.20 microns after the coating is put on. An added bonus for motor vehicles is that the temperature reduction allows a more complete combustion of the fuel, thereby reducing noxious emissions.

Turbolon is available or being tested in Norway, France, Denmark and the UK (sold by ST of Wales).



WORTH WATCHING

Edited by Della Bradshaw

Testing the anaesthetic

PATIENTS in UK hospitals will be the first to benefit from a medical test which can prevent brain damage, and even death, from occurring when a person is under anaesthetic.

Sold by Pharmacia, of Uppsala in Sweden, but developed at London's University College, the test is designed to spot allergic reactions to drugs given during an anaesthetic. A reaction occurs because some people build up antibodies after repeated exposure to anaesthetic drugs. The blood test, which measures the level of antibodies developed against the three most commonly used drugs, can be done in hospitals in less than four hours.

Christmas cameras

EUROPE is to get the latest in Japanese camera technology - just in time for Christmas.

The Canon still video camera is used for snapping photographs in the same way as an ordinary camera. But once taken, the pictures can then be displayed on a television screen.

The camera, developed to work with the European Pal television format, records the pictures on a two-inch square magnetic floppy disk, which uses a similar tape to a video cassette. Like a video cassette, the "photos" can be erased or others recorded over them.

A lead from the camera plugs into the video recorder or aerial socket on the television set, and the

pictures are flicked through on screen by pressing the shutter on the camera. Each disk, which can contain up to 50 full-colour images, will cost £5. The camera costs £499.

Computerised controller

NUMERICAL controls, the equipment which controls the workings of machine tools in factories, are embracing the latest developments in computer technology.

Osai-AB of Poole, the joint venture company set up by Olivetti of Italy and Allen-Bradley of the US, has developed a computerised controller based on the latest Olivetti personal computer.

The Series 9360 can run standard software packages designed for IBM or compatible PCs. The machine could, for example, run a local area network package so that the screen-based controller can send information to the corporate database, or retrieve data from it to be used in the production cycle.

Because the Series 9360 machines use 32-bit microprocessors, they can process the arithmetic equations considerably more quickly than their 16-bit predecessors.

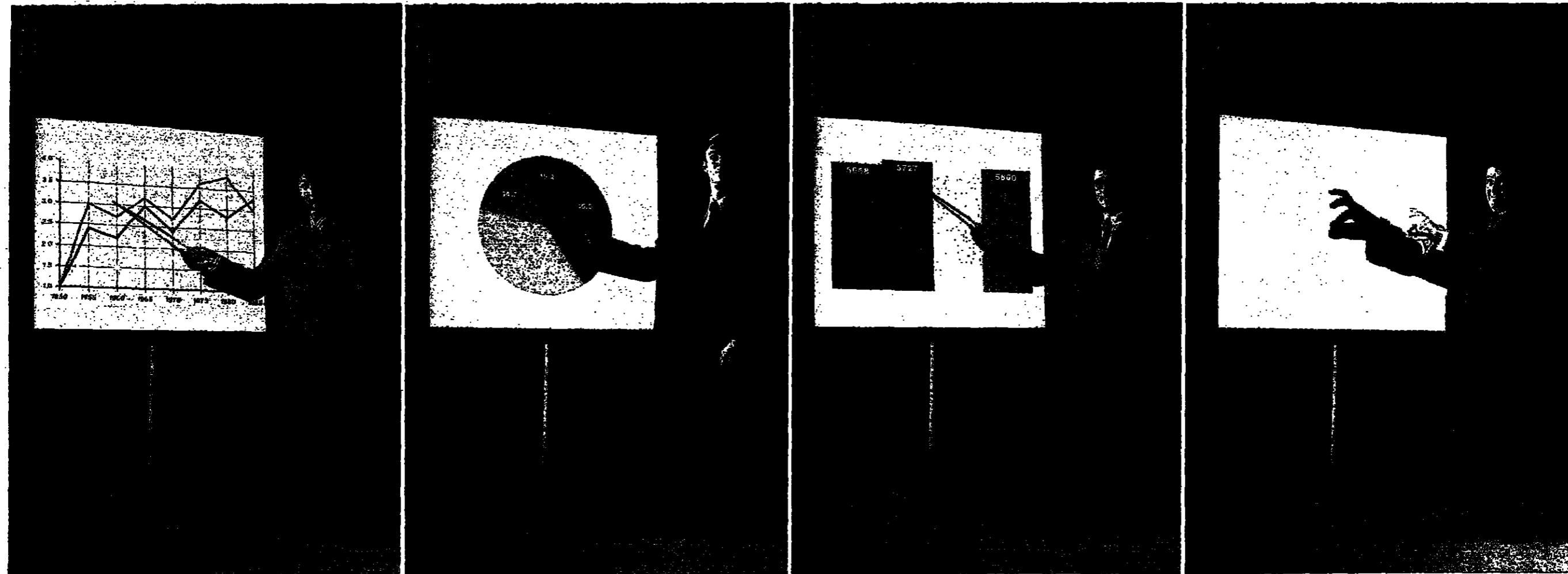
No more excuses

UNIVERSITY students returning to campus this week may find that their lectures have been timetabled with an uncharacteristic efficiency.

A software package for IBM and compatible PCs has been launched in time for the new term. It schedules rooms, lecturers and subjects - and refuses to allow any double bookings.

Developed by Corbett Engineering of Kenilworth, the Ceicat package displays information in a grid format - in the same way as a timetable is written. Printed out, the timetable can be distributed to staff and students, eliminating a whole catalogue of excuses for why students could not make it to the room on time.

Contacts: R North: UK, 0392 211661. ST: UK, 0597 5717. Pharmacia: Sweden, 18 16 30 00. Canon: Japan, 3 348 6505. Osai-AB: UK, 0202 690011. Corbett: UK, 0926 56131.



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MANAGEMENT: Marketing and Advertising

Once upon a time a US movie company spotted a good business opportunity. Looking across the Pacific from their Hollywood base, executives saw a capital city with 10m people and only 16 cinemas where films are given their first showing.

Snakes alive in Korea's cinemas

Maggie Ford reports on the ultimately successful battle to distribute foreign films



ROBERT BENE

The main problem with this enticing market was that it was protected from foreign competition. In 1986 the company Universal International Pictures (UIP) decided that the time was right to try to expand.

The country it was aiming at was South Korea. Three years later the campaign has been successful, but few would have imagined the obstacles that UIP would face.

The scenario reads like the script for High Noon. While the goodies and baddies have not yet engaged in a shoot-out in the main street, tactics used in Seoul to fight off the challenge are reminiscent of the wild west.

They include releasing live snakes in cinemas to frighten customers, and scattering tear gas powder under the seats, forcing patrons to exit fast, crying and sneezing.

Screens have been ripped to frighten off cinema owners and demonstrations have been held claiming that foreign films pollute Korean culture. Two alleged saboteurs have been arrested, and even the taxman has been introduced into the argument.

The first problem UIP faced was government restrictions on imports. It enlisted the help of the US Government, then in the throes of a bitter trade battle with Seoul as its deficit mounted. Movies were put on Washington's list, along with beef, wine, advertising and citrus fruit. Before long the South Koreans capitulated on films, an easy point to concede compared with the severe political constraints on opening the market to agricultural goods.

UIP had won the first battle and started to organise for the fray on the ground. It hired Mike Pae, a Korean American who had formerly worked as an agent for the South Korean film importers, to head its Seoul operation.

Pae, in the role of poacher turned gamekeeper, was a good choice. A film editor who had owned a film and video shop in

Los Angeles, he is well versed in the business attitudes of both sides. "We may be fighting tooth and nail, but we can still go out and have dinner together after work," he says of his South Korean adversaries.

UIP represents MGM, United Artists, and Paramount as well as Universal International. It buys between 35 and 40 films a year to distribute worldwide, in competition with Warner Brothers and 20th Century Fox in the US.

In Asia it also competes against Hong Kong and Taiwanese film distributors. So far few European films are shown in Asia and Japanese films are banned from South Korea.

In 1987, after the market was opened by the agreement between the two governments, UIP and the other US distributors faced a further combination of two restrictions: a quota system and a cartel of South Korean distributors who chose the films to be imported. The South Korean Government insisted that one third of cinema showings must be reserved for Korean films. But rather than protect the local industry, the quota, combined with very heavy-handed censorship, caused the local industry to wither.

The result was that cheap, but profitable, foreign films were imported, with 40 per cent of the available market

going to Hong Kong movies. Investment by the cartel in local films was low, designed only to fill the quota hours as inexpensively as possible. Many talented local film directors were so discouraged they turned away from the industry.

Such poor quality films, Korean or foreign, failed to attract patrons, which resulted in only 16 cinemas for 10m people. All of them were in poor condition, regarded as a property investment rather than a business by their owners.

Looking at a market worth an estimated \$20m annually, UIP decided that enormous growth was possible if the emphasis changed to quality imports. It was right.

As a first step it cut off supplies of UIP films to the local distributors, which were then taking two or three a year. Second, it concentrated on quality, bringing in films like Fatal Attraction and Rain Man.

Before long, audiences in a country starved of quality films were flocking to the cinema. UIP estimates that Seoul could now fill 200 cinemas profitably, with 2,000 nationwide. Already the number has jumped to 50 in a year and cinema owners have installed new stereo equipment, better seating and attractive decor.

The row between UIP and the local distributors has attracted much attention; the local press was initially hostile

because of fears of a further invasion of American culture in a country which already feels itself to be swamped.

But the popularity of quality films has moderated criticism. The recent success of the Korean film industry, which has picked up prizes at the Venice, Berlin, Locarno and Moscow film festivals, has also blunted the argument that the local industry is being damaged.

The government has announced a programme of support for the local industry of Won 10bn (\$15m); this includes the building of modern professional studio facilities over the next three years.

Pae praises the calm and intelligent attitude of cinema-goers who, he says, have recognised the use of scare tactics by the local distributors and have refused to be intimidated.

Other foreign distributors are now beginning to survey the possibilities in South Korea, albeit cautiously. 20th Century Fox recently distributed the film Big without incident in Seoul and Australian distributors are considering the market.

UIP still has some way to go to establish fully open competition as it has still not been able to get its films shown in major downtown cinemas. But Pae believes it is only a matter of time before theatre owners see the merits of the box office deal UIP offers, where the risk and the profit is shared. Local distributors charge a flat fee for their films.

After that, for the next stage of its campaign, UIP plans to try to reform the local video market, where piracy is the main problem. Although South Korea has signed an intellectual property agreement with the US, enforcement remains a major problem.

The US Motion Pictures Exporters' Association is shortly to establish an office in Seoul to try to stamp out piracy. The problem is also a major deterrent to European Community exporters, with whom Seoul has signed no agreement at all.

Piracy does not affect film distribution, however, and other foreign countries are expected to take advantage of the trail blazed by UIP. They, too, may well be successful, for South Koreans are starved of quality European culture.

The UIP saga is a good example of the way opening markets can benefit both export and domestic industries as well as the consumer. Even the local distributors may one day be forced to agree that it is a story that deserves a happy ending.

Gillette hones its competitive edge

Phillip Rawstorne on the launch of a "life-style" shaving system

Shaving may be a mundane and boring activity, but it is taken very seriously by the players in the shaving products market, with Gillette, Wilkinson Sword and Bic in particular honing their marketing weapons.

Now Gillette is aiming for a slice of the top end of the market with a new shaving system, the Sensor, that it says has taken 10 years to develop. It plans to spend \$175m (£109m) on a multinational marketing campaign for the launch of Sensor in North America and Europe early next year.

The system will become the focal point of a pan-Atlantic "life-style" marketing strategy which began earlier this year with the advertising campaign - Gillette: The Best A Man Can Get.

The \$110m campaign, from the US agency, BBDO, will support a single Gillette product for the first time, with a consistent theme covering brand names to packaging, in the US, Canada, the UK and 18 other European countries.

In the UK, the launch of the

Sensor will be supported by a marketing spend of more than £13m, including a £9.6m multi-media advertising campaign. Gillette's aim is to increase both the total value of the North American and European wet-shave market, currently around \$68m, and its 65 per cent share of it.

Ever since its founder, King C. Gillette, invented the safety razor in 1903, the company has constantly searched for an easier, safer and more comfortable way for men to get rid of their whiskers.

It is a sizeable problem. Gillette's researchers reckon that the average man has 30,000 whiskers on his face, growing at the rate of a half-inch every month. He spends the equivalent of 3,850 hours, or nearly 140 days, during his lifetime shaving off the growth.

The North American and European markets now use 5.5bn blades a year - and Gillette supplies 37 per cent of them.

Recent improvements of the cartridge systems has also increased the value of the market which declined during the

1970s and early 1980s with the advent of disposable razors. Since 1986, the market has grown by 26.7 per cent in value compared with an increase of only 2.6 per cent in volume.

Disposables still account for 63 per cent of market volume, but less than 42 per cent in value. What is known as the systems sector has since 1986 increased from 23.8 per cent of market volume to 28.7 per cent; and its value share has risen from 43 per cent to 51 per cent.

It is in order to continue that process, and consolidate its position as market leader, that Gillette has spent some \$150m in developing the Sensor system over the past 10 years. The prototype was produced at Gillette's research establishment at Reading, in the UK, and the engineering and manufacturing processes have been perfected at the company's Boston headquarters.

The Sensor's laser-welded, and chromium/platinum hardened, narrow twin blades, are independently mounted on

springs. That feature, Gillette claims, together with a spring-mounted metal skin guard and pivot head, enables the razor to adjust automatically to the individual contours of each man's face. "The first, and only, personalised shaving system," says Alan Booth, Gillette's general manager, Northern Europe.

The company claims that consumer tests have already shown that Sensor not only gives a closer, more comfortable shave but that its cartridges are easier to change and to clean.

The system will be introduced, with sample offers and other point-of-sale promotions, at a premium of 25 per cent on the cost of Gillette's current top-priced product, the Contour Plus.

Gillette is aiming for a 5 per cent share of the market for Sensor by the end of 1990. It accepts that most of that gain may be made at the expense of its other razors; but it will be well satisfied if a third of the Sensor's sales is cut out of its rivals' share of the disposable market.

The influence of affluence

Christopher Parkes assesses the impact of advertising on drinks consumption

Does advertising drive people to drink?

Probing under-age psyches and poring over econometric models, seekers after the truth have just published new material which should arm both sides of the long-running debate.

Writing in the latest edition of the International Journal of Advertising, Martyn Duffy, an economist at the University of Manchester Institute of Science and Technology, concluded that the role of advertising in the expansion of demand for alcohol was "barely measurable".

However, psychologist Philip Aitken, reporting in the same edition on a study of a gaggle of Scottish schoolchildren, found that commercials had a measurable influence on young people and concluded that alcohol commercials reinforced their drinking habits.

Duffy fed his econometric model with data from 1983 to 1985, when real per capita spending on beer, wine and

spirits rose 66 per cent.

Out came the response that rising income was by far the most important force behind increasing demand.

Spirits consumption, he says, may have increased by almost 3 per cent a year on average because of greater affluence; wine by 4 per cent and beer by 1.1 per cent. Actual growth rates were 3 per cent, 6 per cent and 1.4 per cent a year respectively.

Most of the growth rate difference was accounted for by relative price differences as liquor and wine became cheaper relative to beer and non-alcoholic drinks. In sum, Duffy found, the millions spent on promoting drink over the 20 years under review had no effect at all on spirits drinking, and may have added a mere 0.2 per cent to average annual growth rates of beer and wine.

A sidelight from a more recent period came in another paper in the journal, which showed that between 1978 and 1987 beer consumption fell 34

per cent while advertising rose 60 per cent in real terms. Spirits intake fell 4 per cent while promotion rose 70 per cent, and wine drinking soared 65 per cent under the influence of fashion while advertising expenditure fell 26 per cent.

Eschewing bar charts and equations, psychologist Aitken, of the University of Strathclyde, tackled the drinks industry's stock argument that advertisements merely encouraged existing drinkers to change or maintain their brand preferences.

"While advertising may certainly have a greater effect on brand choice... in relatively mature or static markets of older adults... it would be expected to have a greater effect on consumption in dynamic markets of teenagers who are experimenting with alcoholic drinks," he argued.

Unaware that their interrogators were interested in their response to drinks commercials specifically, 150 Scottish children were asked to men-

tion advertisements they liked. The 10-year-olds rattled off catalogues of humorous ads for sweets, soft drinks, crisps and toothpaste. Children of 12 and above, however, tended to mention alcohol commercials at the beginning of their lists, and most of the entire sample liked them for their music, action, colours and humour.

Aitken stressed that advancing age and peer group drinking were probably more influential in tempting an adolescent to drink, but added that it was clear that commercials aimed at older teenagers and young adults presented qualities attractive to younger groups.

As one 16-year-old boy said of lager advertisements: "They tend to have the image of the macho type of man who can get all the girls he wants."

International Journal of Advertising, Vol 8, Number 4, 1988. Quarterly or subscription from Miles-Dunlop, Cassell Stanley House, 3 Fleet Lane, Pool, Dorset BH15 3AJ.

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BUSINESS LAW

US courts slow the Reagan-Bush anti-trust revolution

By Robert Skitol and Lloyd Ziff

OBSERVERS of the treatment of mergers, acquisitions and joint ventures under the US anti-trust laws have in recent years focused almost exclusively on enforcement and non-enforcement decisions by the two federal anti-trust agencies, the Federal Trade Commission and the Anti-trust Division of the US Department of Justice.

While this focus is understandable, it has perhaps obscured some remarkable developments in the courts, which have produced over 30 decisions involving 21 contested transactions within the past 30 months alone.

This most recent array of precedents under section seven of the Clayton Act provocatively exemplifies the fact that anti-trust "regulation" in this area is a product of decisions from disparate sources.

We present here a brief look at the last few years of this hydra-headed judicial dimension. The composite picture reveals that things have changed less than might at first seem.

The period from 1987 to the present is of particular interest because it covers the final two years of the Reagan administration and first six months of the Bush administration, during which one might have expected to see some results from eight years of appointments to the bench of judges

sharing the "Chicago School" approach to anti-trust that has pervaded the Reagan enforcement agencies.

It is also of particular interest because it covers the 30 months following the Supreme Court's *Cargill* decision, establishing strict standards for competitor standing to sue and widely viewed at the time it was rendered as sharply curtailing if not eliminating private enforcement of section seven.

Of the 21 transactions, nine involved Government challenges - three brought by the FTC, six by the Justice Department. We review those nine cases here.

The Government's record in court has been rather spotty. The courts have shown no inclination to rubber-stamp the Government's charges; sometimes accepting the merger proponents' positions on the facts; while on other occasions taking a harsher view of a merger's adverse effects on competition than the Government has argued in its challenge or believed appropriate.

In short, the element of unpredictability remains a significant characteristic of merger law and policy in the United States.

In the first of these cases, the FTC sought a preliminary injunction against a merger of two glass container manufacturers. The district court

denied the injunction, principally on the ground that the relevant market was not that of glass containers but of "all rigid-walled" containers including metal and plastic.

In the next case, the FTC sought the wholly unprecedented remedy of rescission of a consummated merger between two industrial dry corn producers. The district court granted the request and its decision was affirmed by the Seventh Circuit in a tough "trust-busting" opinion by none other than Judge Richard Posner, a leading light of the Chicago School.

The FTC challenged a merger between two California supermarket chains, settled on the basis of a limited divestiture commitment that allowed the parties to proceed with the transaction, saw the transaction consummated and then saw the California Attorney General challenge the deal and obtain a hold-separate order on findings of both a probable violation and inadequacy of the agreed-on divestiture.

The Ninth Circuit upheld the district court's finding of probable violation but reversed the order on the ground it amounted to a "divestiture" order, a remedy not available to the State's Attorney General who, the court said, could have obtained an injunction against consummation if he had sought one on a more timely

basis.² In separate actions, the Justice Department challenged a merger between two non-profit making hospitals in Rockford, Illinois, and a merger between two non-profit making hospitals in Roanoke, Virginia, with opposite results.

The district court in Illinois accepted the Department's position that such a transaction between non-profit making entities was subject to section seven, that the relevant market was limited in important hospital services within a narrow geographic area, that efficiencies and other benefits of the merger should be disregarded and that the merger should be enjoined.⁴

The district court in Virginia accepted the defendant's position that such a transaction between non-profit making entities is not subject to section seven, that the relevant market should be defined broadly to include outpatient clinics as well as hospitals within a wide multi-county geographic area, that efficiencies and other benefits of the merger outweighed any potential anti-competitive effects and that for all of these reasons the merger was lawful.⁵

The Department sought and won a preliminary injunction against a joint venture between two of only three manufacturers of automatic tampers used by railroads to

correct track deviations.

Among the defences rejected by the court were that: The joint venture was needed to enable the parties jointly to develop high-tech tampers; the venture would enable the parties to crack the European market and increase exports; railroads in their capacity as tamper consumers believed the venture to be desirable and did not believe it would have any adverse effect.⁶

The Department lost its suit for divestiture of an acquisition giving a single movie exhibitor control over virtually all of the cinemas in the Las Vegas area. The court found the market was not limited to movie theatres but included home video and cable TV.⁷

On the other hand, the Department won a revival of its suit for divestiture against a high fructose corn syrup (HFCS) manufacturer's acquisition of control over competing HFCS facilities when the Eighth Circuit reversed the lower court's summary judgment dismissing the complaint.

The lower court found that HFCS competed within the same market as sugar; the Eighth Circuit agreed with the Department that HFCS and sugar were different markets because of government price supports for sugar.⁸

The Department filed a complaint and proposed consent decree in a hostile tender offer

situation involving two competing sellers of aggregate materials, permitting the offeror to complete the transaction without waiting for completion of the required "Tunney Act proceeding" on the adequacy of the decree.

Both the target company and the California Attorney General objected and persuaded a district court to enjoin the transaction pending completion of the Tunney Act proceeding. On appeal, the Ninth Circuit upheld the district court's authority to issue such an order in aid of its Tunney Act jurisdiction but directed that it be converted into a hold-separate order.⁹

In this period government agencies scored some big victories, suffered an approximately equal number of big losses, and on two occasions found the California Attorney General a potent merger antagonist.

¹FTC v Owens-Illinois, 681 F Supp 27; ²FTC v Elders Grain, 868 F 2d 901; ³California v American Stores, 872 F 2d 837; ⁴US v Rockford Memorial, 1989-1 Trade Cas 63,462; ⁵US v Carilion Health Systems, 707 F Supp 846; ⁶US v Iacono, 704 F Supp 1408; ⁷US v Snyfy, 1989-1 Trade Cas 68,478; ⁸US v Archer-Daniels-Midland, 866 F 2d 242; ⁹US v BNS, 858 F2d 456.

Mr Skitol and Mr Ziff are partners in Washington and Philadelphia for Pepper, Hamilton & Scheetz.

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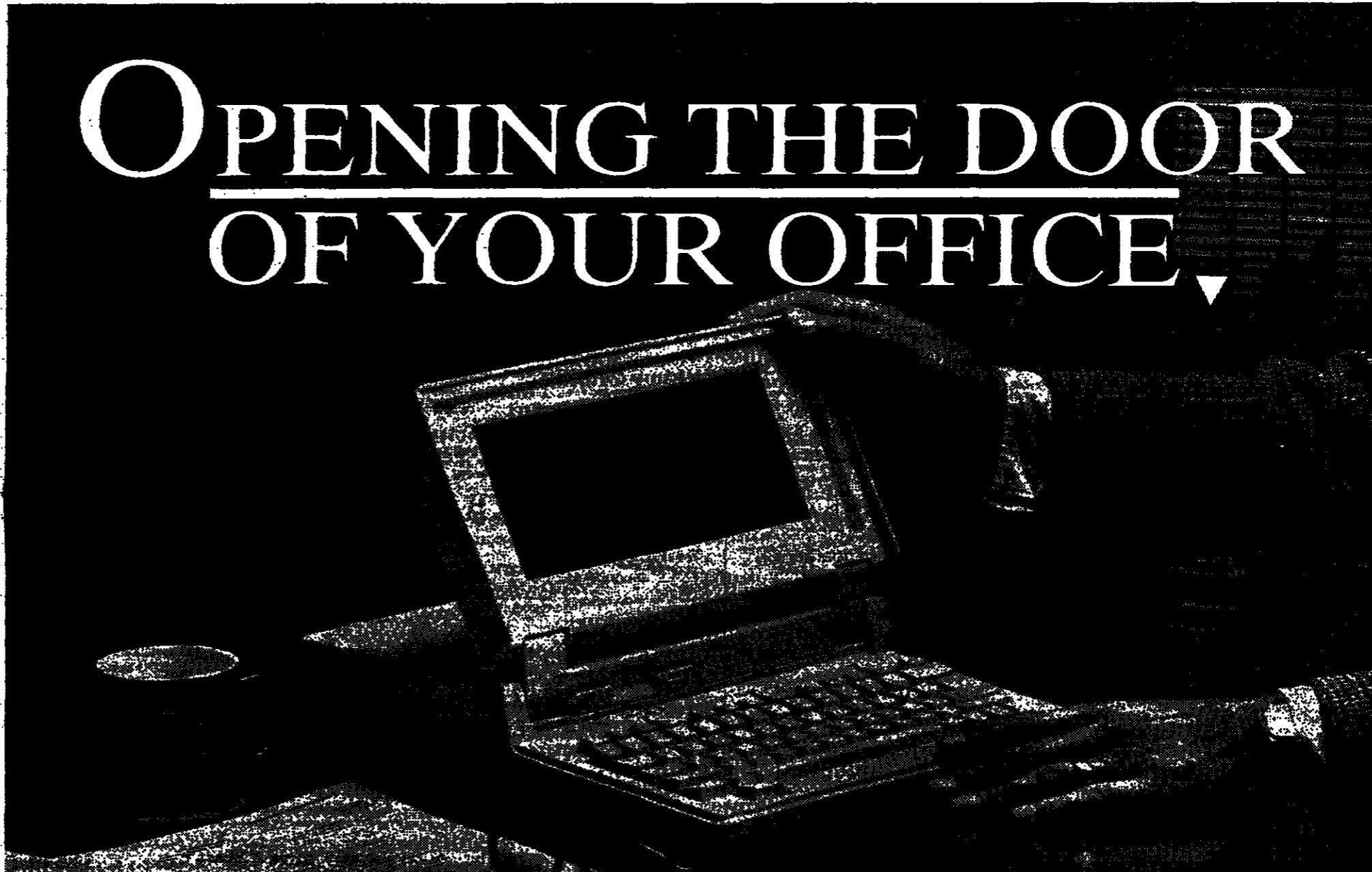
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The Chairman
 Central Tender Board Committee
 Rehabilitation of Sugar Factories
 Industrial Rehabilitation Loan Programme

The Chairm
 Central Tender Board Committee
 Rehabilitation of Sugar Factories
 Industrial Rehabilitation Loan Programme
 Mr E O S Hamman
 Finance Director
 Guyana Sugar Corporation Limited
 22 Church Street
 Georgetown
 Guyana

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 (INCORPORATED IN MALAYSIA)

NOTICE IS HEREBY GIVEN THAT an Interim Dividend of 5 sen per share less 2% Malay- sian Income Tax has been declared in respect of financial year ending 31st December, 1988 payable on 31st October, 1989 to shareholders whose names appear on the members' register on 18th October, 1989.

Duly completed transfers received by the Company up to 6.00 p.m. on 28th October, 1989 shall be accepted for registration for the above purpose.

BY ORDER OF THE BOARD
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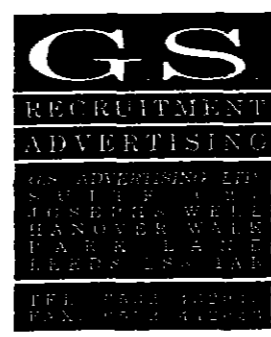
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Chief Accountant

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ARTS

CINEMA

The boy that would be king

Kenneth Branagh is the flavour of the thespian year in Britain. The only question is: will he still be the flavour next year? His film of Henry V represents a magnum opus on a grand scale...

HENRY V
Kenneth Branagh
COOKIE
Susan Seidelman
WIRED
Larry Pearce
K-9
Rod Daniel
ARIEL
Aki Kaurismaki

white hope of British acting to appear in an underwhelming film of Henry V. He - or in Family Lloyd's case she - could appear in a movie called Cookie, complete with Brooklyn accent and look of controlled panic...



Kenneth Branagh as Henry V

dog is a man's best friend and a policeman's best weapon. "K-9" goes everywhere that plain-clothes officer Belushi goes. And he's our lovable Alaskan has funny things happen to him: like being put on a drip-feed in hospital after he is wounded or being driven through a car-wash when he smells. Finally the dog is seriously injured in the final showdown...

Wolf at the Door

STEPHEN JOSEPH THEATRE, SCARBOROUGH
Alan Ayckbourn, stationed in his accustomed nook at the bar of his home theatre, explained casually how he came across this translation of Les Corbeaux (1892). "I was looking for one of those honorary doctorate shingles at Keele University..."

Frederica von Stade

ELIZABETH HALL
It is some time since the American mezzo-soprano gave a London song recital. She has not been forgotten: on Tuesday night, the welcome was resoundingly warm, and at the end the demand for encores was clamorous.

Boiler Room Suite

PURCELL ROOM
The South Bank's celebration of Canadian music, "Bandstand," sponsored by the Canadian High Commission, is a mixed bag indeed, and Monday and Tuesday's segment in the Purcell Room brought performances of a fully fledged music-theatre piece.

Song recital

ST JOHN'S, SMITH SQUARE
This week The Advisory Committee on Pollution of the Sea under its President Lord Callaghan is launching a campaign to increase public awareness of the dangers in disposing of toxic waste.

From the Mississippi Delta

YOUNG VIC STUDIO
Endeasha Ida Mae Holland mixed with prostitutes, puns and hustlers, many of whom attended the ceremony of her doctorate: the triumphant climax of a late identification with the Civil Rights movement.

ARTS GUIDE

EXHIBITIONS

London
The Hayward Gallery. Andy Warhol two years after his death, a comprehensive retrospective of the career of this seminal yet ambiguous and still controversial artist...

Paris
Musée des Arts Décoratifs. Je suis le Cahier - Picasso's sketchbooks. After two years of meandering the world over, the exhibition ends in Paris.

Martina
Palazzo Te, Trinità di Palazzo Te, Ravenna. The most complete exhibition devoted to Giulio Romano, Raphael's favourite pupil...

Deborah Harry

BORDERLINE, CHARING CROSS ROAD
Among the torrent of middle aged pop stars launching themselves like Kitchener's Old Contemptibles on the UK music scene, the most welcome must be Blondie, or rather Debbie Harry, sorry, Deborah Harry, as she calls herself for this week of engagements at the Borderline, a cheerful club of London's Charing Cross Road.

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Thursday October 5 1989

Unloved but still needed

CIRCUMSTANCES could hardly be less propitious for the celebration this weekend of the 40th birthday of the German Democratic Republic...

The GDR's claim to permanence is based on a different proposition: that the current European state system, and state frontiers, are the product of too much bloodshed...

Yet the migration is not an attempt to solve the German Problem. It is the product of decisions by individuals and families to put their private interests ahead of any collective political programme...

Large majority

If a referendum were held in both states, free from any kind of political pressure, no doubt the result would be a large majority in favour of reunification...

The rebirth of planning

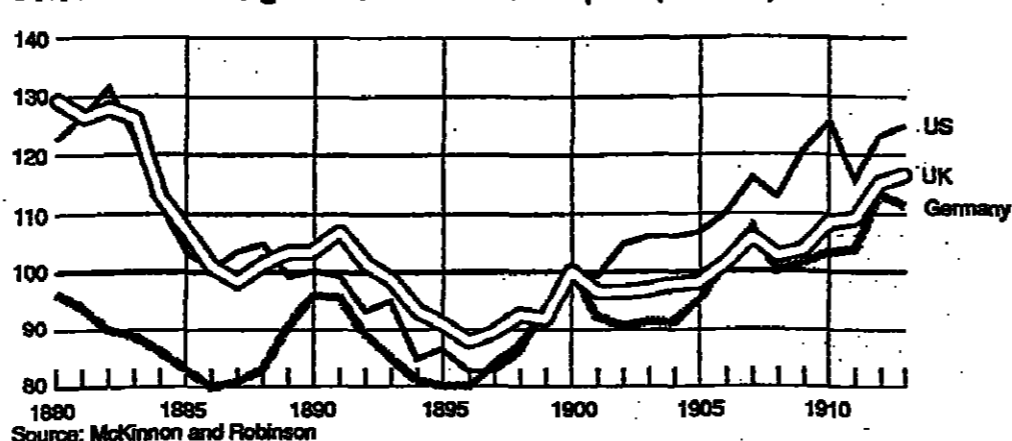
MR CHRIS PATTEN, the UK Environment Secretary, is moving swiftly to establish his green credentials. One of the last decisions of Mr Nicholas Ridley, his predecessor...

Local responsibility Yet Mr Patten is not proposing to build any fewer houses than Mr Ridley. He cannot, therefore, be said to be anti-development...

Costs distribution Central government, says Mr Patten, can legitimately take a view about the distribution of the costs of development in the South East...

The Foxley Wood decision conforms to this logic. There will be no change in the total number of houses in Hampshire which will have to provide over the

Prices under the gold standard Wholesale prices (1900=100)



The distinguished Austrian economist Joseph Schumpeter had three wishes: to be the greatest lover in Austria-Hungary, the best horseman in Europe and the greatest economist in the world...

ECONOMIC VIEWPOINT

Lessons from Old Vienna

By Samuel Brittan

perhaps in economic growth. Yet there was consistent consumer price inflation during those years; and the rate of credit expansion would have enraged today's financial puritans...

Schumpeter's views shocked members of the respectable society of his day

make the respectable uneasy. For I can hold back no longer - Schumpeter believed that the inflationary effects of credit expansion stimulated economic growth, a view that was particularly shocking to the officers and civil servants who made up so much of respectable Viennese society...



Joseph Schumpeter

unpredictability and long term stability of prices which made it hard to attach an inflationary premium to interest rates. In this framework Schumpeter's mild inflationary boom fits very well. They were possible and even virtuous because of the underlying expectation that prices would return to normal...

Elis thesis on British industry under Mrs Thatcher is familiar. Ever since the war, Government had intervened in industry to disastrous effect. Mrs Thatcher stopped interfering and walloped the unions instead, so everything flourished again...

In the 19th century, prices varied about their trend more than they do now

without any parallel commitments in monetary policy or any guidelines for the system as a whole. The world economy functions as well as it does because of the devotion of two of the key countries, Japan and Germany, to price stability and their reluctance to finance unlimited US inflation...

Propping up the pound

A Day when the pound wobbled was an appropriate time to honour George Preston, the man who used to look after intervention policy at the Bank of England. Preston is now 80 and retired from his final job as a member of the board of Westpac last week...

Local responsibility

Yet Mr Patten is not proposing to build any fewer houses than Mr Ridley. He cannot, therefore, be said to be anti-development. But his approach to development does appear to differ significantly from that of his predecessors...

OBSERVER

Bankers, and when the JMB bullion and banking business was acquired by Westpac, he joined the board of the subsidiary, Mase Westpac. "All my recent interest has been in gold," he said. But at 80 he "has done his stint. Not even another consultancy."

Lost balls William Hughes, the chairman of Gramplan Holdings, was quoted yesterday as saying: "The UK and European golf ball markets were depressed by the influx of golf balls reclaimed from lakes in the US, which made trading conditions very difficult."

Wrong music Observer frequently the recipient of complaints about third parties. No objection to that, some of them are very interesting - except that one cannot pass on them all, and some of them are unreasonable.

Unctad at 25 There was a time when Unctad - the United Nations Conference on Trade and Development - was seen as the voice valiantly upholding the cause of the poorer nations against the rich.

Honecker's day East Germany's leader, Erich Honecker, still has at least one friend in the West. At a grand dinner in East Berlin on Tuesday he told the assembled heroes of East German socialism that he had just received a message from a world-famous publisher.

Pol Pot's lot Question on the BBC 1 quiz show, Four Square, yesterday morning: "What is the Moslem equivalent of the Red Cross?" Contestant's answer: "Is it the Khmer Rouge?"

BOOK REVIEW Industry in the 1980s

A FIGHTING CHANCE By Andrew Lorenz Hutchinson, £15.95

There ought to be a rule against business journalists writing books about business. We in the trade know the temptations: something for the curriculum vitae and a better shot at immortality than last year's cuttings book.

More remarkably, he gives almost no thought to overseas comparisons, except when he is quoting others. Journalists are busy folk and have little time for original research, even if they are equipped for it.

What one misses is more of the same research behind the headlines, and - above all - the capacity to draw conclusions which might hold good for industry in the future.

I have in front of me a chart from the London Business School, comparing improvements in productivity in the past five years among privatised companies and those still owned by the state.

Tony Jackson

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Alan Pike reports on the Church of England's part in the debate on poverty in the UK

Faith and Pharisees in the city

Tensions between the Government and the Church of England have risen again this week with warnings by Dr Robert Runcie, the Archbishop of Canterbury, that Britain risks developing into a "Pharisee" society of self-interest.

In an interview with Director magazine, Dr. Runcie pointed out that the Church had a presence in every parish, putting it in daily contact with areas where the Conservative Party had little support. This made it sensitive to the needs of those who had not benefited from 10 years of Conservative government.

Generations of clergy have worked among the poor of the big cities for as long as urban society has existed in Britain. But during the 1980s the Church of England has been approaching its mission in the inner cities with fresh zeal. The church's renewed identification with inner city problems has had a deep impact — most noticeable, perhaps not surprisingly, in dioceses like Liverpool.

Emmanuel Church, Faskerley, five miles from Liverpool city centre, has, like many in urban areas, been adapted for many other uses. During the day it bustles with the sounds of a children's play group and an old people's lunch club. Across the road, the church's welfare rights centre advises callers with social problems.

Above the centre are the offices of the church's training agency — an official part of the Government's Employment Training scheme — which provides more than 300 trainees with painting and decorating, joinery, office heavy goods vehicle driving and other skills. The agency has a budget of nearly £1m a year and the Rev Christopher Byworth, its chairman.

In addition, there is a church-run victim support scheme to counsel people who suffer from the area's high

crime rate, and a home security advice service to try to get the crime rate down.

Mr Byworth sees the time he spends on these activities as a natural part of ministering to a disadvantaged inner-city community. They supplement his spiritual duties, rather than supplant them. Congregations at Emmanuel have trebled in the six years he has been team rector and now consist of about 130 adults and 60 children, more than respectable by inner-city standards.

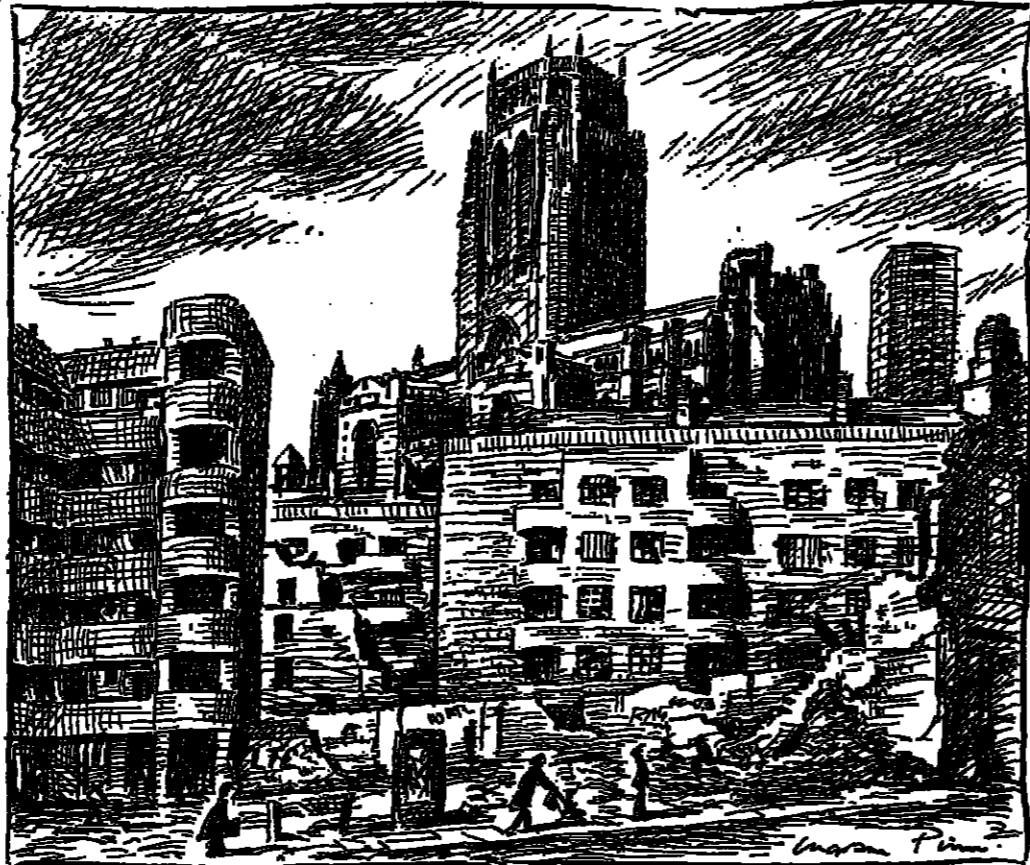
"I do not believe you can divide the Church's activities into either the spiritual or the social," he says. "The Church has to minister to the whole human being.

"People in Liverpool are affected by things the Government does, and bringing Christ to the community requires taking account of that. I preach about all the moral issues and believe they are of central importance, but I speak about the social and the political issues as well."

The church itself is not immune from the problems of difficult inner city areas — the Roman Catholic church near Emmanuel is surrounded by closed-circuit security cameras. But Mr Byworth believes local people — including those who are not themselves worshippers — recognise that the church has a role to play.

"My wife and I were awoken at 3 am a few nights ago by two teenage girls, aged 14 and 15, who had run away from home. The connection was that I had buried the 14 year old's grandmother two years ago. This is typical of the way people in the area sometimes come to the church when they need us."

"Clearly the area has real problems. Things like poverty are relative, and people living in inner-city Liverpool are not poor in the same sense as many in the Third World. But they are poor in relation to others who live elsewhere in the city, and this is a real form



of poverty too."

In 1985 the Church of England published a report called Faith in the City, after an investigation into the problems of urban priority areas. Some senior clergy now admit that, with its references to the Government's "dogmatic and inflexible economic stance" and its calls for greater public spending, the report demanded the unsustainable and helped brand the Church an opponent of Government economic policies.

But Faith in the City has had a huge impact within the Church of England, helping to put it "officially" on the side of the poor. "The Church cannot supplant the market or the state," concluded the report.

"It can, as we recommend, mobilise its own resources in a way that accords high priority to the poor. It must by its example and its exertions proclaim the ethic of altruism against egoism, of community against self-seeking, and of charity against greed."

One of the practical effects of this conclusion was the establishment last year of the Church Urban Fund, a Church of England charity which plans to spend £2m a year on projects in the inner-cities. Parishes throughout the country are contributing money at a remarkable rate — more than £12m has already been raised

from local church donations.

In the area covered by Mr Byworth's team ministry, the fund is providing £50,000 towards the £35,000 cost of converting St George's Church on the Sparrowhall council estate. The estate has no community facilities, and the church will be equipped for use as an advice centre, hall, offices for a victim support service and community worker as well as worship.

Although Liverpool City Council is currently planning housing improvements at Sparrowhall, the estate shows signs of severe deprivation. The application for Church Urban Fund financial support described it as an area of high unemployment, poverty, poor housing, drug abuse, crime and vandalism." Mr Byworth says that, out of the small local congregation of 25-30 who worship at St George's, only two or three have jobs and none owns a car.

He points out that the clergy are the only professionals who still live in such areas. "There is a very good doctor but he, like everyone else, travels in from outside."

In inner-city Liverpool at least, there can be no serious contest over Dr Runcie's claim that the Church is more rooted into the local community than the Conservative Party.

None of Liverpool's six MPs

is Conservative and the party currently holds only two seats on the city council. Conservative municipal candidates in some inner-city wards do well to achieve 10 per cent of the Labour vote. A sign over the local Labour club near the Sparrowhall estate declaring that "it's better to break the law than break the poor" shows the flavour of some people's politics around here.

Church leaders like the Rt Rev David Sheppard, Bishop of Liverpool, were talking and writing about poverty and powerlessness in the inner-cities long before publication of Faith in the City. With the inner cities an issue on which the Government will have to defend its record at the next General Election, however, sermons about the plight of the modern urban poor are sometimes seen as political attacks.

The Government wants the voluntary sector to pick up more of the community work undertaken by statutory agencies and the role of local churches in this area could grow. But, as the Church of England's response to Faith in the City shows, organisations based on strong principles do not simply carry out social work. They discuss the causes of the problems as well; and that sometimes means their leaders will raise passions when they speak out.

EC-Japan trade

D-Ram dumping threatens users too

By Jürgen Knorr

Attacking the European Commission for taking action against dumping is popular and provides good copy, sometimes in the reporting, the facts are obscured. Thus press comment on the current case relating to Dynamic Random Access Memories (D-Rams) shows little evidence of analysis of the facts, but has nevertheless strongly criticized the Commission's action in negotiating with Japanese producers an undertaking not to resort again to dumping of D-Rams in Europe.

The facts are:

- In 1984, 1985, and 1986, certain Japanese producers sold D-Rams in Europe at prices so far below costs as undoubtedly to constitute dumping.
- By this unfair trading they established market dominance and wiped out virtually all non-Japanese D-Ram producers, both in the US and in the European Community.
- The Gatt explicitly condemns such dumping and specifically provides for remedial action.
- European D-Ram manufacturers represented by the European Electronic Component Manufacturers Association, both those who have managed to stay in this market and those who have had to withdraw, were therefore fully entitled to complain and seek protection against unfair trading.
- Are there special circumstances in this case which account for the outburst of criticism?
- One reason is the importance of D-Rams to customer industries. European equipment makers are dependent on Japanese sources; therefore, it is argued, the damage to the European semiconductor industry should be ignored, remedial action to which it is entitled under Gatt should not be taken, and European users should remain free to buy D-Rams at dumped prices (thus increasing their dependence on Japanese suppliers who are also their direct competitors at systems/equipment level).
- But this argument confuses cause and effect. D-Ram production in the EC and the US was virtually destroyed by unfair trading. This created the present dependence of users on

Japanese sources and their consequent vulnerability to dramatic price increases. Few informed observers would regard such dependence as healthy; most would regard it as highly dangerous.

So what is wrong with taking measures to help reduce this dependence, thus strengthening not only the European semiconductor industry, but also D-Ram users in the electronic equipment industry?

Users need a strong local semiconductor industry to give them an alternative source of supply, one which is not liable to be brought to its knees again by unfair trading. This will facilitate co-operation in the development of new world-competitive products; and it will mean that users need no longer rely for supplies of "leading edge" products on Japanese companies who are also their direct competitors.

Another reason for the exaggerated concern being expressed may be lack of accurate information about the undertaking and how it will operate. It is an undertaking not to sell below reference (or "fair") prices set quarterly by the Commission; it will not affect prices at all immediately, since current market prices are significantly above likely reference prices. But if and when reference prices come into play, the European D-Ram manufacturers are concerned that their customers' costs should be kept as low as is compatible with fair trading. They have therefore agreed that reference prices should be calculated on the basis of average production costs for the currently lowest cost Japanese product in each density, plus a small profit margin. (The margin is far lower than would normally be acceptable in the equipment industry). This is despite the fact that the use of Japanese, rather than European, components manufacturers look to the governments to take a realistic view of where Europe's overall long-term interests lie and to approve the action proposed by the Commission to deal with this case of blatantly unfair trading.

The author is President of the European Electronic Component Manufacturers Association

able prices.

So what will be the ultimate effect of these arrangements? While the market leader will not be allowed to sell D-Rams to Europe below its cost of production plus a modest profit margin, higher cost producers will not be prevented from selling at little or no profit; competition will not be impaired, reference prices will be reviewed quarterly so that increased efficiency can feed through rapidly into lower prices.

The European D-Ram producers have not asked for compensation for the injury done by the unfair trading which has been proved; they have not asked for measures such as anti-dumping duties which would be harmful to their customers; they have not asked for their market to be protected. They have asked only for a safety net which will prevent a resumption of damaging dumping, and enable them to compete with Japanese suppliers on a level footing. Given this, they will have both the opportunity and the incentive to re-establish their competitiveness and maximise their efficiency.

This must be of greater benefit in the long term to the European equipment manufacturers. All they are asked to accept is that they are not entitled to benefit from unfair trading practices by buying D-Rams at dumped prices. A balance must surely be sought between the interests of chip users and of chip makers, each of whose success depends largely on that of the other.

If the Member States should refuse to endorse the arrangements negotiated with the Japanese under the provisions of the Gatt, non-European semiconductor makers would know that they had carte blanche to eliminate their European competitors by fair means or foul. European components manufacturers look to the governments to take a realistic view of where Europe's overall long-term interests lie and to approve the action proposed by the Commission to deal with this case of blatantly unfair trading.

LETTERS

Hocus pocus in focus

From Mr John C. Cahill.

Sir, As allegedly the most notable of the "rattled bosses" ("BAI: the lessons for corporate investors," Business column, October 2), I can well do without yet another new business theory: this time "focused corporate parenting." It is some consolation that, with such a title, it cannot be a candidate for longevity.

Christopher Lorenz's first lesson ("not to hang on") is well expressed, but to the wrong class. It is the shareholders, not the company, who should learn that lesson. His second lesson seems to confuse matrix management (is that theory still around?) with

acquisition criteria. The third lesson develops his new theory. Presumably Mr Lorenz is not a family man. Is a parent incapable of managing a family unless the children are, for example, identical female triplets? I fear we are in for more hocus pocus about focus.

Finally, the two options proffered to animated companies in the UK and the US (no less) are as unimaginative as they would have been unrewarding to any investment manager seeking value for money.

John C. Cahill,
Chief Executive,
BTE plc,
Silverdown House,
Vincent Square, SW1

Export credits

From Mr P.W. Crabb.

It was disappointing that Peter Montagnon should refer uncritically ("ECGD reforms expected to be approved soon," September 28) to the argument that the Export Credits Guarantee Department needs to be restructured to comply with new regulations connected with the Single European Market. The Kemp Review on ECGD's status confirms that there is no reason to think that the European Commission is considering the introduction of legislation to forbid state credit insurance for intra-EC business, and thus make necessary a change of ECGD's status.

Indeed, Kemp states that there "appear to be strong grounds for arguing that the European Commission has de facto given its approval to state support for export credit agencies as at present practised by member countries." Despite regular supposed inferences to the contrary from inside and outside ECGD, no one has yet been able to show this view to be incorrect.

We know that various parties (including many with vested interests) favour the privatisation of ECGD's insurance services group. We consider that spurious arguments are often being used to mask real motives, which include political dogmas and selfish commercial interest. ECGD support is valued by UK business. We feel it would be a grave mistake for the Government to reduce its direct backing for ECGD, particularly at a time when every UK exporter needs maximum support and encouragement to help overcome this country's massive trade deficit problems.

P.W. Crabb,
Chairman,
ECGD Trade Union Side,
Export House,
50 Ludgate Hill, EC4

Security order

From Mr David Habakkuk.

Sir, The re-emergence of German unification on the political agenda, discussed in David Marsh's thoughtful article ("Treading the German tightrope," September 30) makes it imperative for West Germany's allies to present some long-term vision of a new European security order.

Already, as West Germans have come to discount the possibility of Soviet attack, talk of "armies of occupation" has been increasing. If some form of renunciation is now a real possibility, Germans will inevitably be looking to a future in which their country is no longer the meeting point of vast, nuclear-armed foreign armies.

To continue to insist that, for example, the Lance missile be "modernised" is to suggest that Britain, however, but he, whatever the Russians do, Germany must continue indefinitely to be the focus of East-West military confrontation. Without a credible end to this, the Germans may well come to believe the central purpose of the existing security order is to keep them down.

It is natural to want to cling to the existing alliance structures as an element of stability in unstable times. But, paradoxically, stable transition in Europe may depend on NATO's ability to conceive a future in which those structures are transcended.

A big problem is that all our orthodoxies about "the threat" how to cope with it mean that we find it difficult to conceive of security without large US armies — and nuclear weapons — in Germany. But if there is one thing that should be clear by now it is that there is no going back to the Brezhnev years. We need to ask basic questions about our security problems.

It cannot any longer be a premise of discussions of "the threat" that any answer must legitimise existing NATO doctrines and deployments. In particular, the "worst case" scenario produced by fears of Soviet instability is not for General Yazov to react to the secession of Central Asia by throwing Polish and East German troops across the Elbe. That rests on analogies with Austrian and German behaviour in 1914 which really have no relevance at all to today's Soviet Union.

David Habakkuk,
22 Homfield Road, W4

The Labour Party and ERM

From Mr Peter Robinson.

Sir, On October 1, John Smith confirmed that entry to the exchange rate mechanism (ERM) of the European monetary system would be an early objective of a future Labour Government. The shadow cabinet sees such a move as one way of clearly stating Labour's commitment to lower inflation.

There appears to be some misconception that membership in the ERM offers a relatively painless way of bringing down inflation. Yet there is no clear evidence that an exchange rate target acts directly to "discipline" pay bargainers in the way envisaged by some economists. Rather, such a target works like any other deflationary financial policy: it squeezes firms' profits and reduces employment opportunities, and in this way screws down the wage-price spiral. It is not a soft option.

The shadow Chancellor's message was also confused by

a reference to entry at a "competitive" rate. Does this mean a significant one-off depreciation to DM 2.50 to the pound, followed by entry to the ERM? Or would the shadow Chancellor enter at the present DM 3.00 or close to it? If the latter, how does he propose to reduce the current account deficit?

What John Smith did not address is the central issue: can one reduce inflation without significant deflation of the economy and a rise in unemployment? Membership of the ERM is just one way of engineering the necessary deflation, and is no better or worse than a tight domestic monetary policy or an increase in taxation as a means to that end. Only a workable pay policy — if one exists — might achieve a less painful disinflation. The shadow cabinet remains silent on this issue.

Peter Robinson,
Campaigner for Work,
Totterham Town Hall, N15

Defining the currency unit in real terms

From Dr Patrick Collins.

Sir, Nigel Lawson, speaking to the IMF in Washington, drew interesting parallels between the present state of sterling and that prevailing in the era of the gold standard. The similarities are, however, eclipsed by this glaring difference: sterling now has no real known value; it is dependent at every minute on the market's fickle assessment of the Chancellor's intentions.

A system of currency convertibility in which the government defines the currency unit in real terms, has the unique advantage of harnessing market forces directly to preserving its value. Institutionally, it is unequalled. It is fair, durable, comprehensible to the public, and proof against political manipulation. After 10 years of Conservative government, company profitability has improved, but the monetary situation is still in crisis, and we are now drifting towards a Deutsche mark bloc for lack of anything better.

The Prime Minister — by resuming currency convertibility, and helping to pull the world economy out of the inflation and instability it has suffered since 1971 — would be remembered for the next century. What is she waiting for?

Patrick Collins,
The Management School,
Imperial College,
33 Prince's Gate,
Exhibition Road, SW7



THAT identical vehicles share identical running costs could prove an expensive assumption. But without a convenient monitoring system, how easy is it to spot company vehicles which may be performing below par or incurring excessive costs?

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FINANCIAL TIMES

Thursday October 5 1989

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US refuses to rule out force against Noriega

By Peter Riddell in Washington and Michael Littlejohns in New York

THE US retains the option of using military force in Panama to end the rule of General Manuel Antonio Noriega, Mr James Baker, US Secretary of State, said yesterday as Panamanian officials accused the US of direct involvement in Tuesday's failed coup.

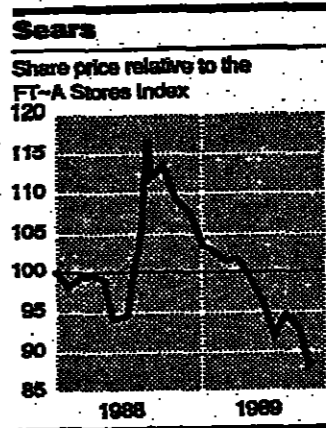
Mr Baker said yesterday that when the coup developed, President Bush's priority was to safeguard US lives and secure the canal. Mr Baker defended the Administration's decision not to commit troops.



Panama leader Gen Noriega, surrounded by loyal troops on the steps of his command post, raises a clenched fist

A pfennig for Lawson's thoughts

Yesterday's althor by sterling brought it to its lowest level against the Deutschmark for 19 months, as the markets debated how far - rather than whether - West Germany will raise interest rates today.



ing volume means that the next six months are going to be tough, and only the optimists are betting on any real recovery next year.

Harrisons & Crosfield Harrisons & Crosfield's decision to switch its Stock Exchange classification from overseas trader to industrial miscellaneous may come as a good time.

Bush asks for extra \$200m in Polish aid

By Peter Riddell, US Editor, in Washington

US PRESIDENT George Bush is to ask Congress for an additional \$200m loan to help Poland with the restructuring of its economy, the White House said yesterday.

the first significant expansion of direct US economic help for Poland since the \$119m industrial assistance offered during the visit to Warsaw by President Bush three months ago.

announced that legislation would be pushed urgently through Congress to provide \$807m in assistance to Poland and Hungary, the majority to the former, over the next three years.

Pravda says country unprepared for winter

By Quentin Peel in Moscow

DIRE WARNINGS were issued yesterday about lack of readiness for the coming Soviet winter, with the authorities already making preparations for possible power cuts in many parts of the country.

Strike brings Boeing to a virtual halt

By Roderick Oram in New York

BORING was yesterday trying to continue aircraft production using supervisory and non-striking workers after its 57,000 members of the machinists union began a strike over pay.

doubtful that much was happening inside the Boeing plants it was picketing. "We represent that place wall-to-wall," a senior official said.

called his best and last. It proposed pay increases of 4 per cent in the first year and 3 per cent in the second and third, rates several percentage points below inflation.

Australian pilots drop 29% pay claim

By Chris Sherwell in Sydney

AUSTRALIA'S airline pilots said yesterday that they were withdrawing their 29 per cent pay claim at the heart of a dispute that has seriously disrupted the nation's domestic air services.

response from the Government, airlines and trade union leadership, promptly dampening revived hopes of a breakthrough in the disruptive five-week strike.

a 25 per cent increase in productivity. The pilots' federation has embraced this "final position" of the airlines, but has coupled with it a demand for a "proper set of working conditions" not in the airlines' contracts.

Financial Times signs agreement to print in Tokyo

Continued from Page 1

With local printing it is hoped this will gradually increase to between 3,000 and 4,000. The Wall Street Journal is estimated to have sales of about 6,500 in Japan and the International Herald Tribune about 4,500.

ing house, and for the continuation of distribution, under revised terms, by Overseas Courier Service.

is a big challenge in terms of covering costs and we have to show we can do it before we go on to other print centres." Printing in Hong Kong is seen as a longer term possibility.

Table with columns for City, Country, High, Low, and Change. Includes cities like London, New York, Tokyo, etc.

Bank of England intervenes on pound

Continued from Page 1

forced to withdraw an \$800m tender of Treasury bills because the money market demanded too high an interest rate.

being unable to sell the D-Mark against sterling. This would conflict with an agreement Mr Lawson made in Washington last week to participate in efforts to drive the dollar lower.

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ACCOUNTANCY COLUMN

Deloitte UK deal pushes Coopers into top slot

By David Waller



Mr Brandon Gough: his change of mind is not wholly remarkable

LAST WEEK this column reflected on the demise of the talks between Arthur Andersen and Price Waterhouse and predicted that the era of the mega-mergers was all but over. All but yesterday came the extraordinary announcement that Deloitte, Haskins & Sells' UK practice was set to merge with Coopers & Lybrand.

Barely three months ago, Mr Brandon Gough, Cooper's pugnacious chairman, publicly denounced what he termed the King Kong philosophy behind the spate of mega-mergers. Yesterday, he was able to trumpet the Deloitte link which, if not exactly a King Kong sort of deal, is still one that propels Coopers to the number one slot in the UK.

This is possibly the most extraordinary development in a year of merger drama and excitement among the big firms.

Not only has Coopers performed a strategic volte-face of fundamental proportions, but it also shows that the empire that is to be Deloitte Ross Tohmatsu - as the Deloitte/Touche Ross combination is to be known - is in fragments even before it officially exists.

Up until yesterday if it had looked as though the bout of merger mania was going to be fairly harmless. The firms charted to one another seemingly interminably, earned a certain public opprobrium for their espousal of corporate gigantism and eventually either embraced one another (in the case of Ernst & Whinney and Arthur Young) or rejected each other (as in PW and Andersen).

For all the talking, business appeared to carry on very much as

suggested pique rather than a wholehearted endorsement of independence - and indeed it was widely reported that Coopers itself was on the brink of a liaison with PW, only to be snubbed by the latter's dalliance with Andersen.

Given the firm's known penchant for being number one, it was clear that many partners were none too pleased at Cooper's sudden relegation to the bottom of the Big Eight pile.

By linking up with Deloitte in this way, Mr Gough preserves his reputation for being tough and unpredictable and redeems himself in the eyes of his merger-hungry partners.

As for accusations of inconsistency between his public stance at the beginning of the summer and now, he will no doubt argue that the Deloitte-link up is not a mega-merger - merely a strategic alliance in one geographical market, albeit an important one.

On their own, both Coopers and Deloitte are both strong UK firms, with aggregate fee income of £225m and £189m in 1987-88, putting them third and fifth respectively in the size rankings.

In terms of audit, both firms are broadly the same size - Cooper's generating £100m in fees from this rather dowdy activity, against Deloitte's £96m. That difference in overall size is due to Cooper's strength in consultancy - the firm is the largest of the accounting-based consultants, with fee income of \$66m from this source, against the £34.4m generated by Deloitte in the area.

If the new link-up were to preserve each and every client and all its staff,

it would have fee income of £414m and staff of 10,500.

There would be enviable complementarities: two strong client lists in the audit business; Cooper's strong consultancy dovetailing neatly with Deloitte's tax expertise and its corporate finance activities - an area where Deloitte, of all the accountancy firms, has achieved a degree of market pre-eminence.

In practice, there is likely to be significant upheaval among the Deloitte client base, if not among its staff. True, the Bank of England is unlikely to put its audit out to tender, and there is no reason why a clutch of fine UK-based clients such as Marks & Spencer, GUS, Liberty, Abbey National and the Stock Exchange should defect to either Touche Ross or any of the other big firms. Indeed, some of those may turn to Coopers for consultancy advice.

However, it is certain that a significant part of Deloitte's UK audit business is work referred from its US practice - now part of Deloitte Ross Tohmatsu. Into this category fall clients such as Merrill Lynch, Kohlberg, Kravis Roberts and a number of the world's largest insurance companies. Also, Deloitte in the UK serves a number of UK-based multinationals - not least of which is BAT Industries, the firm's biggest client.

Clients in both those categories will have to choose between shifting the international element of the audit to Coopers, or the UK element to Touche Ross, the UK arm of Deloitte Ross Tohmatsu.

Both of the new firms will suffer a credibility gap. Clients will wonder

whether Deloitte Ross Tohmatsu is a genuinely cohesive international firm. True, firms in the US, Japan and France have come together, and those in Canada are likely to do so soon, but what about other key geographical areas, not least in continental Europe?

Moreover, clients will feel entitled to ask what is wrong with Touche Ross in the UK, given that Deloitte's UK partners were willing to go to such lengths to avoid a link-up.

After all, Deloitte, a firm that has tightened itself up after the humiliation of being rejected by PW in 1984, seems willing to be swallowed up by Coopers - a fate worse than death for many UK accountants no doubt - simply so as not to have to merge with Touche.

There will be turmoil and, under the circumstances, many clients will surely opt to put the audit out to tender. And, of course, there will be plenty of red-in-tooth-and-claw competition for the business.

Peat Marwick is there, resting on its laurels having avoided this year's merger shenanigans.

Ernst & Young will be confident, secure in the knowledge that it represents the only firm to have merged successfully this year. Price Waterhouse and Arthur Andersen will be eager to prove to clients - and to themselves - that their capacity for winning quality business in the UK is undiminished in the wake of their failure to agree a link-up.

Outsiders will look on, bemused, if not amused at the profession's antics. Let it never be said that the world of accountancy is dull...

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To be considered, you will be a qualified accountant aged 35-50, who has gained commercial experience at a senior level within a sizeable operating unit and has negotiated with corporate financial institutions through MBO's, acquisitions, flotations, etc. Personal characteristics must include an analytical mind, the ability to work as part of a small management team and to effectively represent the group externally. A relocation package is available if appropriate.

Please send brief personal and career details quoting reference F/010/A to Carrie Andrews, Ernst & Young Search and Selection, Beckett House, 1 Lambeth Palace Road, London SE1 7EU.

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Candidates, aged 28-35, will be qualified accountants who can demonstrate outstanding career achievements, strong communication skills, a high degree of commercial awareness and the ability to make an effective contribution to the profitable development of the business. A comprehensive benefits package, including a profit related bonus scheme and full relocation facilities, is available. Interested applicants should write, enclosing a full curriculum vitae, to James I. Russell, quoting ref: LS503, at Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. (Tel: (0532) 450212).

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Applicants should be at Chief Accountant or Financial Controller level, be qualified ACMA/CIMA or equivalent, be in their early thirties and have manufacturing industry experience, ideally in engineering batch production. Computer literacy is essential and involvement in implementing MRPII computerisation is desirable. Financial management competence and developed commercial flair are essential.

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In this case they seek a qualified Accountant (other disciplines considered), probably in his/her late thirties, who has both line management experience and also experience of acquisitions. The latter is likely to have been gained in the corporate development division of a PLC.

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A second opportunity exists for a person at an earlier stage in their career. Again he/she will have an accountancy qualification and at least two years' post qualification experience in a field which is relevant to the kind of work envisaged. The salary will be in the region of £30,000.

Both positions carry a range of executive benefits together with a company car and profit share. There are likely to be options in our Client's company and opportunities for investment in situations in which our Client is taking an interest.

In the first instance, please contact Colin Barry, the company's adviser in this matter, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

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Please reply in confidence, to Michael Fahey, adviser to our client, giving concise career, personal and salary details and quoting ref ER206 at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

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P. Foley, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF, 061-832 3500, Fax: 061-834 8577. Ref: M22007/FT.

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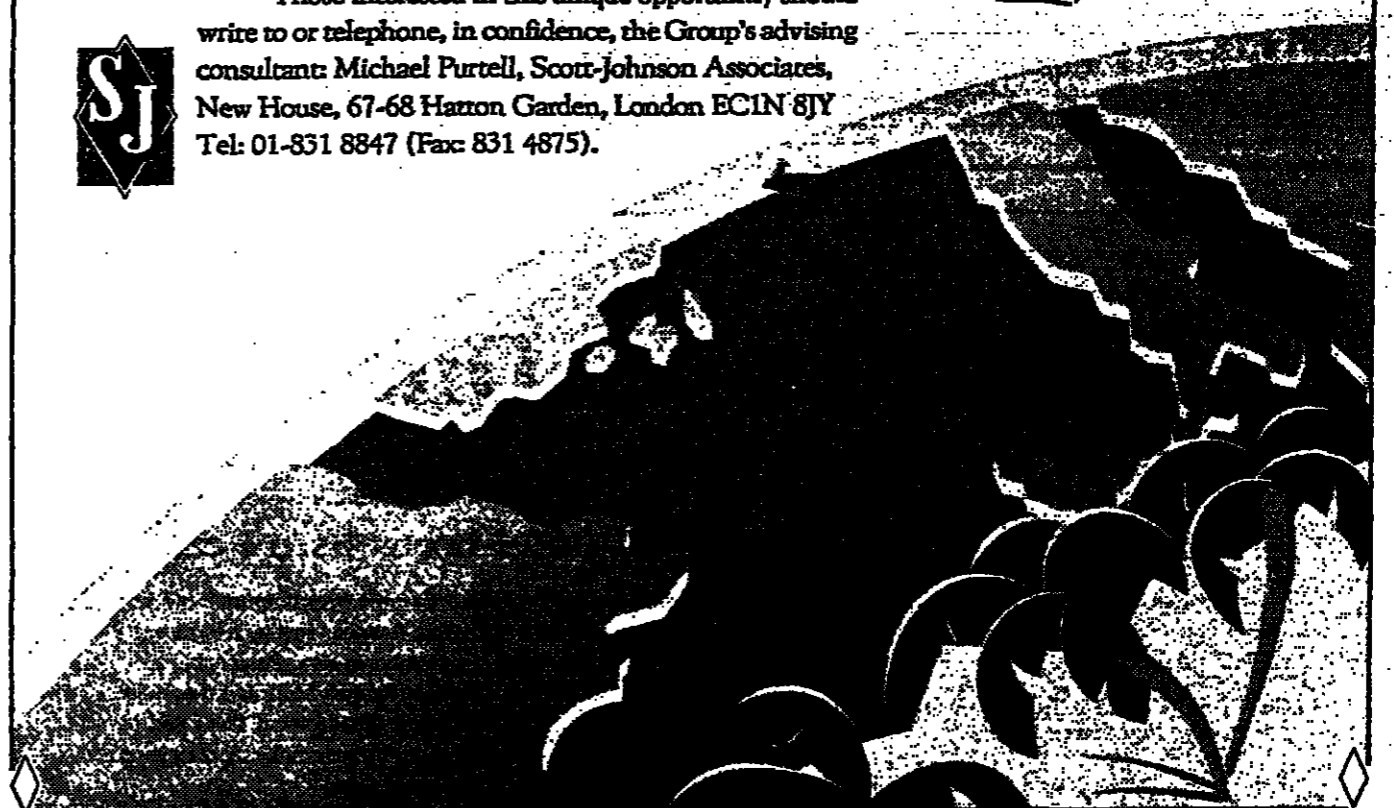
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Résumés please, including a day time telephone number, to Chris Howarth quoting Ref: CH560, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

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Shandwick plc is the world's largest independent public relations group.

Due to outstanding growth over the past few years a unique opportunity has arisen for a qualified accountant to join one of the principal UK consultancies within the Shandwick Group.

Reporting directly to the Managing Director, the Financial Controller will have responsibility for the financial management of the consultancy assisting in the formulation of business plans and strategies.

The constant development of management information and close liaison with directors and other senior management will also be of prime importance.

Ideally the successful applicant will be in the age range of 27 - 32 years and will have both commercial experience and a proven track record of effective man management.

WRITTEN APPLICATIONS SHOULD BE MADE TO
 RICHARD MUNRO, FINANCE DIRECTOR, SHANDWICK UK GROUP
 95 PARK LANE, LONDON W1Y 3TA.

Develop your Accounting Career in Merchant Banking

City £25k-£30k plus car

Our client is a prestigious UK Merchant Bank and a member of a broadly-based major European financial services group. Due to continued expansion, they are now seeking two highly-motivated graduate Chartered Accountants to strengthen their finance function.

Financial and Management Accountant

Ref: I075/JRG/89

A high-profile role reporting directly to the Chief Accountant. With a proven record in a major practice, you will need at least three years exposure to auditing financial institutions, combined with experience of advanced computer systems. Primary responsibilities include:

- Preparing financial accounts for the bank and UK subsidiaries, and consolidated financial accounts for the Merchant Banking division.
- Evaluating monthly management information for UK trading operations.
- Overseeing the preparation of reports to regulatory authorities.
- Developing and implementing sophisticated management information systems.

Project Accountant

Ref: I076/JRG/89

You will be a self starter with at least two years PQE, ideally in a top 8 firm, or possibly in a relevant commercial sector. This must include substantial non-auditing experience, in addition to a thorough knowledge of EDP and computerised accounting systems. Duties will include:

- Generally assisting the Finance Director on all departmental projects.
- Undertaking special finance-related projects, including work on acquisitions.
- Advising on and implementing new computerised systems, and acting as an interface between systems and users.

For both positions, our client offers an excellent salary plus substantial benefits including a quality company car, subsidised mortgage, non-contributory pension and life assurance scheme and family PPP.

In the first instance, please contact Bob Gunning, Senior Consultant, at Austin Knight Selection on 01-588 6452 (01-256 6925 evenings/weekends). Or write to him, enclosing detailed CV, at 17 St. Helen's Place, London EC3A 6AS, quoting appropriate reference.

Austin Knight

Head of International Business & Operations Review

NW London

c £40,000 + car

Our client is a leading US multinational involved in the manufacture and marketing of computer and communications systems. Group turnover is in excess of \$330 million of which nearly three quarters is generated from their nine expanding European subsidiaries.

This is a greenfield opportunity to set up and manage a new business and operational review area, reporting to the US. The work will be project based with a high degree of autonomy, including the review of company-wide systems for reporting and controls, and other investigations to enhance operational performance. European travel will be essential. In return this position is recognised as ideal preparation for future senior advancement in the group.

Candidates will be qualified accountants, probably ACA, in their late 20's to 30's. You will have a strong knowledge of European reporting and practices, ideally gained in a multinational environment in a line, projects, group or audit role. As well as first class technical skills, you will be a self starter with strong commercial acumen. You will also need the confidence and interpersonal skills to effectively contribute new ideas to the business.

Please reply in confidence, quoting Ref ER205 to Judith Richardson, adviser to our client, giving concise career, salary and personal details at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

Ernst & Young

GROUP FINANCIAL CONTROLLER

A key role in a diverse, rapidly expanding group
North West £40-45,000 plus car and excellent benefits package

This newly created role offers an exceptional career opportunity within the headquarters of a substantial and diversified group (T/O c£50M) whose growth and profits record to date are impressive.

The business is currently driven by a dynamic young Board who have ambitious plans for the 1990's including an aggressive acquisitions policy.

This high profile position will provide a support function to the Group Planning & Finance Director and will involve you in every aspect of group activities. Your initial key task will be to review and project manage the implementation of sophisticated management information systems and controls.

You will work closely with senior divisional finance directors on improving systems, raising reporting standards and focusing attention on key performance criteria. Your involvement with group planning and control will be total.

To be considered for this position you will be a qualified accountant of graduate intellect in the age

range 35-45. Your track record to date will demonstrate experience of developing effective systems and financial controls, working to tight reporting deadlines and operating at senior management level ideally within an environment experiencing rapid growth and development.

In addition to a high degree of technical competence you must possess excellent communications skills, have the personal presence to establish credibility at all levels and have the drive and commitment necessary to make an effective contribution within a fast moving and highly pressurised environment. Career prospects within the group are considered to be excellent.

The salary/benefits package reflects the importance of this appointment and will be negotiable in the range indicated above. A full relocation package is available where appropriate.

Interested applicants should forward a full Curriculum Vitae including details of present salary and daytime telephone number to Mary Byrne at the address below.

STARK BROOKS ASSOCIATES
 Accountancy Recruitment Consultants

Suite 4, 2nd Floor, St. James's Buildings, Oxford Street, Manchester M1 6FQ. Tel: 061-236 1212/061-228 0183.

FINANCE DIRECTOR

C. £35,000 + CAR + BENEFITS
A Leader in Leisure Product Development and Distribution

We are a London based subsidiary of a multi-national £1 billion turnover UK corporation specialising in the development and marketing of an exciting range of leisure products in the UK, Europe and the USA.

In line with the rapid expansion we are enjoying, i.e. a turnover of 20 to 27 million in three years, we require to appoint a Finance Director who will be responsible for the whole of the company's accounting facilities including MIS computer systems, reporting directly to the Board.

We are ideally seeking a person able to possess a background and experience to line with the following criteria:-

- A qualified accountant i.e. ACCA, ACA or AICA with a number of years experience working at a senior level within FMCG/Commercial environments.
- An understanding of the need for producing Management, Financial and Statutory Information to line with predetermined timescales.
- The ability to manage personnel engaged in supporting the company's financial accounting via computer based systems.
- The interpersonal skills necessary to work with Board members as well as other levels of management and staff.

Ring our Advertising Consultant MIKE THORNE now on 0444 415678, or at any time (including evenings/weekends), or send a copy of your CV to the address below. Arrangements will be made for you to attend an immediate interview at any convenient location.

LAMBLEY
 PROFESSIONAL RECRUITMENT CONSULTANCY

1 Franklin Suite, The Priory, Hayward's Heath, West Sussex RH12 3LR. Telephone: (0444) 415678.

COMMERCIAL FINANCIAL CONTROLLER

The complete business role for the young talented accountant

Manchester £27,000 + Car + Excellent Benefits Package

Operating at the forefront of a dynamic, high technology market, our client through acquisition and organic growth now commands a considerable worldwide market share and is the U.K. market leader in this niche field.

Internal promotion has created the need to appoint a Financial Controller to manage this £30 million turnover Northern Division. The role will be twofold requiring tight financial control of the operation along with total responsibility for bottom line performance. It will be demanding, wide-ranging and challenging. Strong emphasis must be placed upon the commercial aspects of this position as you will play a vital role in helping to achieve the profitability of the company. Exposure to the 'sharp-end' of business through close liaison and negotiation with both sales management and customers will, without question, prove invaluable experience for the successful candidate.

You will be a qualified Accountant and are likely to be aged 26-32. Outstanding personal characteristics are pre-requisite to be considered for this testing and highly

responsible position. You must possess excellent communication skills and have the ability to forge working relationships with a sales team. You will be a good team player but have the confidence of character to stand alone. Having a naturally inquisitive mind you will relish the challenge of problem solving and putting forward solutions to both the sales team and customers. First-class negotiation skills, self motivation and the hunger to be a part of this progressive and exciting environment are further crucial attributes.

Future prospects make this an exceptional option for the ambitious Accountant. The salary/benefits package reflect the importance attached to this appointment and will not prove a limiting factor in the final selection process.

Interested candidates should forward a full curriculum vitae including present salary and daytime telephone number to: Karen Haggath at the address below or alternatively telephone on 061-236-1212.

STARK BROOKS ASSOCIATES
 Accountancy Recruitment Consultants

Suite 4, 2nd Floor, St. James's Buildings, Oxford Street, Manchester M1 6FQ. Tel: 061-236 1212/061-228 0183.

CORPORATE ACQUISITIONS ACCOUNTANT

An exciting challenge and high profile role in a substantial and rapidly expanding group

North West £25-£28,000 plus car and benefits package

Through a vigorous acquisitions programme and impressive organic growth our client has in recent years established itself as a well known and highly successful group with a strong North West base. Part of their current corporate strategy revolves around acquisitions outside the U.K. with particular emphasis on the EEC. This has created the need for a high calibre individual to be appointed to assist and support the Corporate Development and Acquisitions Director.

Your role will be broad based and will include:

- involvement with acquisitions from sourcing through to funding to completion
- investigation of and reporting on targeted businesses

development of effective working relationships with legal/financial advisers, merchant banks and institutions

To meet the needs of this high profile and demanding position you will be a Chartered Accountant of graduate intellect and aged under 30. Your track record to date should demonstrate experience of corporate finance/acquisitions gained within either a large professional firm or financial institution.

You must be astute, have excellent interpersonal skills and cope well under pressure as the pace will be unrelenting. Frequent travel both within the U.K. and Europe is envisaged, therefore mobility is essential. Future prospects are excellent.

The salary/benefits package is designed to attract applicants of the highest calibre and will not prove a limiting factor in the final selection process.

Interested applicants should forward a full curriculum vitae including details of present salary and daytime telephone number to Mary Byrne at the address below.

STARK BROOKS ASSOCIATES
 Accountancy Recruitment Consultants

Suite 4, 2nd Floor, St. James's Buildings, Oxford Street, Manchester M1 6FQ. Tel: 061-236 1212/061-228 0183.

Relevance Lost? Solutions Found ✓

COST MANAGEMENT CONSULTANTS CENTRAL LONDON

The late 1980's are developing into a watershed period for cost management. The progressive use of advanced technology and new manufacturing techniques like JIT is making traditional costing systems irrelevant to many organisations.

Recognising these issues is a good beginning, but the pressing need now is for solutions.

As one of the UK's leading firms of Management Consultants and Accountants, Coopers & Lybrand has developed a new approach, which incorporates the latest activity-based costing principles tailored to meet the individual needs of each client. It provides accurate cost analysis of products and services - giving our clients competitive advantage.

We are applying this approach internationally to a wide range of clients, including those in batch manufacturing, process industries, telecommunications, health care and financial services.

We are looking for additional consultants to work in our international centre for this service under our Director of Cost Management, Jim Brimson - one of the originators of activity-based costing.

A graduate accountant with experience gained in an advanced manufacturing environment, you may already be in consultancy. You will recognise many of the shortcomings of traditional costing. Able to communicate effectively with clients at all levels, you should have the acumen to develop practical solutions to real business problems.

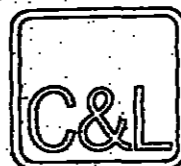
TO £50K+ EXECUTIVE BENEFITS

The attractions of Consultancy at Coopers & Lybrand are many. In terms of professional challenge, variety and scope of career development, we offer an environment few can match.

The salary package is everything you would expect from a firm of our international standing.

Now you have a clear chance to take cost management into the 1990's with Coopers & Lybrand.

Write with full career details to Paul Eccles, Coopers & Lybrand Associates Limited, Plumtree Court, London EC4A 4HT. Please quote reference 10/16 FT.



Coopers & Lybrand

PRODUCT DEVELOPMENT EXECUTIVE

FINANCIAL SERVICES

City

to £30,000 + Car + Benefits

Our client is a leading London-based international asset management group, with offices in a number of overseas locations.

An excellent opportunity has arisen for a dynamic and commercially orientated individual to join an expanding department of professionals, who are responsible for new product development, with a strong international flavour.

As a co-ordinator in a multi-disciplinary team, your role will encompass the creation, implementation and project control of new investment products, particularly offshore investment funds.

The ideal candidate is likely to be a graduate, aged between 25 and 29, with an accounting qualification and/or a banking background.

Strong technical and organisational skills will be required, together with the initiative and self-confidence to deal with senior management and external advisors.

In addition to an excellent salary and benefits package, which includes a company car, subsidised mortgage, pension and health scheme, the position offers genuine opportunities for advancement.

Interested applicants should telephone Susannah Truswell on 01-437 0464 or write to her, submitting a brief Curriculum Vitae, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House 1 Leicester Place London WC2H 7EP
Telephone: 01-437 0464

FINANCIAL CONTROLLER

CITY OF LONDON

TO: £26,000 + CAR + BENEFITS

Our client, is a highly successful group, involved in the design, manufacture and marketing of high quality women's fashion wear in the United Kingdom, the United States and Europe. The company has created its own distinctive look and has enjoyed substantial expansion during the last few years.

The Finance Director now wishes to appoint a new Financial Controller, who will be responsible for the smooth running of the head office accounting function.

The successful candidate will be a young qualified accountant, aged in their mid 20's to early 30's who has gained good commercial experience since qualification in a fast-moving, sales orientated environment.

This position also offers excellent opportunities for future career development within the group.

Please send a full C.V. with handwritten covering letter to R. N. Collier, quoting reference RN4.

Robert Neil Associates

Executive Search & Selection

Albany House, 324 Regent Street
London W1R 5AA



ACCOUNTANTS LYTHAM ST. ANNES

For further information contact,
Accountancy Personnel,
15 Fitzbaldwin Place,
Fleet,
Hants, RG1 3NA.
Tel: 0753 52557

Guardian Royal Exchange is one of the UK's leading Financial Services Companies with a large Head Office complex at Lytham St. Annes. We have challenging opportunities for qualified Accountants in our expanding Accounting Systems function with responsibilities for the development of computerised systems, clerical procedures and associated statutory design. Successful candidates, probably aged 25 to 35, must be self-motivated and possess initiative plus the ability to communicate effectively at all levels. Prior experience of computerised systems essential. These positions offer opportunities for progression which may include transfer to other accounting units within the UK, framework of the Group.



NEWAGE INTERNATIONAL STAMFORD Lincs.

FINANCIAL CONTROLLER

CIRCA £23,000+CAR+EXCELLENT BENEFITS

For further information contact,
Accountancy Personnel,
15 Covent Court,
North Street,
Peterborough,
PE1 2PA.
Tel: 0753 52557

Newage International Limited is the world's leading supplier of a.c. generators in the output range 5-200 KW. Reporting to the Finance Director prime responsibilities will be the financial management of all overseas subsidiary companies, group consolidation and statutory requirements. Candidates will have experience of operating in a manufacturing company, and be used to working under pressure. An excellent benefits package will include a 2 fire company car, private medical insurance and pension plan.

Accountancy Personnel
Placing Accountants First

Chief Accountant

(Director of Finance & Administration Designate)

Central London £35,000 + benefits

The Partners of our Client firm, based in London with a number of overseas offices, have identified the need for review and change in the fundamental areas of the finance function within their practice.

A Chief Accountant with the financial vision to perceive the changes necessary is sought. He/she should then be able to implement and control these reviews, putting in place a system of effective financial management. These accounting functions would extend from the London to the overseas offices and some travel abroad will therefore be involved. The right candidate should anticipate a promotion to the position of Director of Finance & Administration.

Candidates should be qualified Chartered Accountants, aged between 30-45 years and should have all the enthusiasm and commitment to participate and assist in the growth of this expanding international practice.

Interested candidates who meet these criteria should send a detailed curriculum vitae, including current salary to Clare Tattersall, quoting reference LMS11, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



SPICERS EXECUTIVE SELECTION

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

FUND CONTROLLER/PORTFOLIO ADMINISTRATOR

£13,000 + BUPA + BONUS
US INVESTMENT ADVISORS

Energetic, numerate individual required for portfolio valuation, portfolio performance analysis, trade settlements and client/investment manager liaison. Experience in US banking/securities a plus. Smart Mayfield office. Approximate hours 11am to 7pm. Non smoker please.

Please send CV in confidence with telephone number for quick reply to:

AMERINDO INVESTMENT ADVISORS
17a Carzon Street
London W1Y 7FE

MILAN STOCKBROKERS is looking for a person who is a RESPONSIBLE DEALER FOR SHARES AND BONDS

with foreign customers. The work is for a young person no more than 30 years old, with verifiable professional caps-city of negotiator.

An experience as trader of at least 3 years with institutes operators will be liked. The job is in Milan. Remuneration and range will be at the highest level of the market and could be further improved in relation to company targets.

Please write by express to

FIN BROKERS S.P.A. - VIA DELL'ORSO, 5 20121
MILANO FAX 72023322 TELEX 340018 I

CORPORATE FINANCE EXECUTIVE

UP TO £25,000 P.A. + CAR ETC
You will be a recently qualified Accountant (ACA, ACMA, ACCA etc) with ambitions to work in an international environment. You are "computer friendly" and already familiar with Lotus 123.

Our Firm is pro-active. We specialise in arranging:

- Mergers and Acquisitions
- Corporate Restructuring and Refinancing
- Banking and Finance
- Management Buy-Outs and Buy-Ins
- Public Offerings and Rights Issues

If you seek to work in a division where you will be fully extended and all your professional training harnessed both in the broad sweep of its scope but also in its minutia, please send the fullest possible Curriculum Vitae to:

Head of Corporate Finance
Grassick Walker Solicitors
Grassick Walker House
Charterhouse Square, London EC1M 6AX

P.A. to PARTNER

£25,000 Neg.

Surrey based general practice offers excellent partnership prospects to qualified Chartered with similar interests and potential for developing P.A. role.

Call Jacqui Hardcastle on:-

01-255 1555
MERIDIAN
ACCOUNTANCY
(Rec Con)

Financial Directors

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation.

InterExec SMI not only provides career advice to successful executives but also retains the unique facility of our subsidiary company InterMex to bridge the critical gap between counselling and the right job.

InterMex maintains a unique data base of some 6,000 unadvertised vacancies per annum, providing the only confidential Placement Service.

If you are considering a move or need a new challenge then telephone (01-930 5041) for an exploratory meeting without obligation.

InterExec SMI Plc
Landseer House, 19 Charing Cross Road,
LONDON WC2H 0ES.

This service offered by InterExec is free and can be used independently of the Consulting Service.



Senior Financial Managers

Financial Controller

W. London Design/Marketing
£28,000 + Car

This is an excellent opportunity to join the management team of a highly successful organisation that has become well established within its design/marketing sector. With its high quality products sourced from the continent coupled with information-technology investment, the company has achieved rapid growth (current turnover £15m) taking it to the forefront of its specialist sector.

Continual expansion plans of the business now require the new appointment of a Financial Controller who will report direct to the Finance Director and strengthen the management team. The role will implement management controls and take financial responsibility for increased profitability and the establishment of a sound base for the future planned growth.

As a consequence candidates should be qualified chartered accountants, aged late 20's, who can bring a commercial attitude to the business with sound communication skills. Drive and enthusiasm are vital to join this progressive and lively company.

Please telephone or write enclosing full curriculum vitae quoting ref 343 to: Philip Cartwright FCMA, 97 Jermyn Street, London SW1Y 6JE
 Tel: 01-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

MANAGER - BUSINESS REVIEW

Ambitious Young Chartered Accountant

Major International Securities Company

to £32,500 + Car + Bonus & Substantial Mortgage Benefit

Our client is the UK Subsidiary of one of the largest International Securities Companies in the world. They have expanded rapidly in London and now have a staff of over 400 people.

The growth has led to a requirement for an additional person reporting directly to the Chief Financial Officer, whose main responsibility will be to review the controls of the major revenue earnings sectors of the business which include, Securities, Gilts, Futures, Fund Management, Corporate Finance, and Merger and Acquisitions. A high level of Business Awareness and excellent communication skills are pre-requisites. The individual appointed will be a Chartered Accountant

between the ages of 25 and 29 with post qualification experience of the financial services sector in practice or in commerce. The opportunities for an ambitious self-starter are outstanding.

For further information in strict confidence, please contact Raj Munde A.C.A. on 01-240 1040 or forward a detailed résumé to our London office quoting reference no. 9/662, Morgan & Banks, Search and Selection plc, 114 St. Martin's Lane, London WC2N 4AZ. Fax: 01-240 1052

Morgan & Banks

LONDON WASHINGTON SYDNEY AUCKLAND

An Exceptional Opportunity to Influence Positive Development

CONTROLLER - FINANCIAL PLANNING

SE Home Counties

up to £40,000 + car etc



A leading player within the consumer leisure sector, our client has developed, both organically and by acquisition, many well-known brand names during the 1980's. It has recently announced its new strategy, which will further develop the quality of product and service provided to its customers, thereby forming the basis of its market for the 1990's.

An essential aspect of this development will be the contribution of the Controller - Financial Planning who, reporting to the Commercial Director and leading a professional staff of 10, will be required:

- To add to the business through a pro-active input to product/business development
- To appraise and influence different products and services according to their varying needs

- To impact upon senior operational and marketing management and further develop the finance function as a driving force within the business.

As the successful candidate, you will be a Qualified Accountant and will need to demonstrate previous exposure to a commercial, preferably multibrand, environment, where you have been fully involved in the resolution of key business issues. It is essential that you are able to evidence a history of 'adding' to a business in addition to effectively performing a role. The opportunities to progress both within the Division and the wider Group are excellent.

If you feel that you wish to discuss the potential of this situation further, please write to Karen Wilson, Director at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and a note of current salary.

FMS

Search and Selection Specialists for Financial Management

Financial Controller

Deputy Finance Director

South East,
 To £48,000, Car, Executive Benefits

This highly profitable multi-million pound turnover group in the media and communications industry is now poised for significant expansion. Reporting to the Group Finance Director, you will assume total responsibility for all day-to-day financial activities of the main operating company and play a key role in the strategic development of the Group. This is a creative position which will involve close liaison with information systems personnel, with the emphasis on the continual enhancement of sophisticated control and monitoring systems.

You will be a qualified Accountant aged 38-45 displaying an impressive commercial background, possibly with previous experience as a Management Consultant. Essential personal qualities will include excellent communicative and interpersonal skills and the ability to lead and motivate a large financial team.

This highly visible role presents the opportunity to make a vital contribution to the success of a significant PLC Group, which could ultimately lead to a directorship in the long term.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, B.E. Boylan, Hoggett Bowers plc, 112 Finsbury Street, LONDON, W1R 9WB, 01-734 9852, Fax: 01-734 3736, quoting Ref: H33001/FT.

Hoggett Bowers

BRISTOL, BIRMINGHAM, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR
 A Member of Blue Arrow plc

DIVISIONAL MANAGEMENT ACCOUNTANT

Thames Valley £30,000 + Car

A newly created and influential role with a major company that operates nationally in the manufacture, marketing and distribution of consumer goods.

The appointment gives responsibility for the provision of an effective and high profile management accounting support for Directors and operating units. Particular emphasis is to be placed on planning, forecasting, capital appraisal evaluation, performance review and the development of management accounting systems.

Applications are invited from qualified management accountants aged 28-38 who can demonstrate proven industrial accounting experience, strong technical ability and better than average communication skills. The successful candidate should have the ambition to progress in a dynamic environment which is enjoying profitable organic and acquisitive growth.

For further information on this exceptional career opportunity please contact Malcolm J. Hudson.

HUDSON SHRIBMAN

VERNON HSE SICILIAN AVE LONDON WC1A 2QH TEL: 01-831 2323

FINANCIAL RECRUITMENT

NEWLY QUALIFIED?

NORFOLK £20K + CAR

Did you qualify in Accounting or graduate in Business Studies simply as the first step towards a wider career in management?

An integrated manufacturing subsidiary of a worldwide famous group, our clients offer a place in their management team to an ambitious young person with some experience of the manufacturing industry.

Fulfilling a broad, creative brief involving financial, systems, purchasing/materials, commercial and secretarial responsibilities you will work closely with the team to manage this highly successful small

profit centre. Whilst providing an excellent long term opportunity to develop your considerable business management potential to the highest level, our clients will look for marked inter-personal skills in the chosen candidate.

A comprehensive benefits package includes relocation expenses. The company would prefer a non-smoker.

Write, enclosing a CV to Mrs E Kitchen, Executive Recruitment Advisory Services, 2 Market Hill, Diss, Norfolk, IP22 3JZ, quoting reference no: 12/108.

Major International Bank Chief Accountant

to £35,000 + Banking Benefits

Our client is one of the world's top 50 banks with a growing global network. Expansion of its London branch has created the need for an experienced accountant to facilitate greater control.

The responsibilities relating to this new role will include: financial and management accounting, regulatory and tax reporting, identification and implementation of effective control systems, liaison with external authorities, auditors and senior bank personnel and staff management.

You will probably be a graduate accountant, in your mid 30's, with general banking experience (exposure to branch accounting would be an advantage). Candidates should be bright, enthusiastic, reliable, flexible and looking to take on an interesting challenge.

Candidates interested in this exciting opportunity should contact Suzie Mummé on 01-248 3653 (01-673 2549 evenings/weekends) or write, sending a detailed CV to the address below or use our confidential fax line on 01-248 2814. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM

Tel: 01-248 3653

ASSOCIATES

CONSULTANTS IN RECRUITMENT

FINANCIAL CONTROLLER

YORK

Portakabin Limited and its five subsidiaries are the leading providers in the EEC of all-steel module based building systems in both relocatable and permanent form. Supported by strong financial, technical and marketing resources and manufacturing facilities, the Company has an outstanding reputation for product quality and service.

A Financial Controller is required to head up and manage the financial and accounting function within the Portakabin Group. Reporting directly to the Chief Executive as a member of the top management team, the appointee will play a key role in the day to day running of the Group companies and in policy setting and business development.

A prime responsibility will be to advise on the most efficient arrangements and uses of the Group financial resources and to ensure their effective management having regard to taxation, company law and other matters both in the UK and other European countries in which the Group operates. This will involve the operation of sound financial evaluation, control and reporting systems focussing on profit achievement and the maintenance of a strong financial structure coupled with the application of financial expertise in exploiting sales and marketing opportunities and anticipating future financial requirements.

Candidates will be qualified Accountants with a proven track record, strong technical and inter-personal skills and a high level of commitment. The position provides an opportunity to join a vigorous and financially strong Group of Companies and offers excellent future career prospects.

An attractive remuneration package appropriate to the scope and responsibilities of the position includes a company car or car allowance, entitlement to membership of a non-contributory pension and life assurance scheme and relocation expenses where appropriate.

Applications in strictest confidence to:

Roger Wood, Personnel Controller, Portakabin Limited, Huntingdon, York YO3 9PT. Telephone (0904) 611655

Portakabin

REGIONAL ACCOUNTING MANAGER NAIROBI, KENYA c.£30,000 net

Mowlem have carried out construction projects in East Africa for over 40 years and now seek a qualified Accountant who has broad based business experience, preferably in construction.

This is a senior appointment which carries a substantial remuneration package for a candidate who wishes to build a career in a prestigious group whilst residing in an extremely attractive location.

Applicants with a minimum of 5 years' post qualifying experience are invited to apply by sending their CVs to:- The Financial Director, Mowlem International Limited, Foundation House, Eastern Road, Bracknell, Berkshire RG12 2UZ.

Mowlem International



FINANCIAL DIRECTOR DESIGNATE

A fast-growing North Sussex computer company are urgently seeking a Financial Director Designate to strengthen the existing management team. It is envisaged the successful candidate will be 30-35, have excellent commercial experience and the ability to assist in driving a dynamic company. The provision of management information must be a forte, and computer literacy would be an advantage, though the successful applicant will not necessarily be qualified. A more than competitive package and excellent prospects (including a possible share option) will be offered to the right person.

C.V.s please to Box A1376, Financial Times, One Southwark Bridge, London SE1 9HL

Head of Management Accounting City to £30,000 + Car + Bank Benefits

Our client is a leading force in global investment banking, with activities in all markets and major financial centres.

Based in the City, the Head of Management Accounting will have responsibility for the co-ordination and management of a large team of staff, and for ensuring that a variety of high profile reports are produced to tight deadlines. Reporting to the Head of Management Information, the role also encompasses the provision of full information support to business units and control of mainframe systems.

The successful candidate will be a self-motivated, qualified accountant, aged

27-32, with strong managerial skills who is capable of working within strict timeframes under minimal supervision. Additionally, strong communication, analytical and report writing skills are prerequisites to this appointment.

If you are looking for a challenge, an interesting role and career progression within a fast moving environment, please contact Diane Forrester ACA on 01-831 2000 or write to her at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH, enclosing a detailed career history, and quoting ref. 102.

MP
Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Financial Systems Consultancy

Scotland, North East, North West, and Yorkshire to £25,000 + Benefits

Our client is currently experiencing considerable growth and expansion, emerging as one of the UK's leading firms of management consultants. This reflects not only economic development in the North but is an indication of the enviable reputation they have established through providing an outstanding service to their clients.

Ever increasing demand for these services has resulted in the need to appoint a number of high calibre young accountants. The successful candidates will gain experience in all industry sectors, predominantly working at Blue Chip clients. They will define the companies' requirements with particular responsibility for the specification, selection and implementation of Management Information Systems. This would be seen as the first step

on a career path within consultancy and opportunities to progress into other areas of MCS will only depend on the ability of the applicant. Potential for progression is excellent.

Candidates will be qualified ACAs, ACMAs or CACAs, aged up to 27 who can demonstrate a high degree of success in their career to date allied with first class commercial and interpersonal skills. Knowledge of MIS/Systems Implementation is desirable although not essential as excellent training will be provided.

Interested applicants should write to Adrian Hitchener, Michael Page Finance, 25 Collingwood Street, Newcastle-upon-Tyne NE1 1JE. (Tel: 091-222 0545), quoting Ref: NE021.

MP
Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

GROUP FINANCIAL CONTROLLER MUSIC AND LEISURE INDUSTRY

LONDON c£35,000 + BONUS

Our client, a Group of 15 companies, whose annual turnover is in excess of £30m, has created a career opportunity for a qualified Chartered Accountant to assist with the development of the Group in its future expansion programme.

The successful candidate will report directly to the Managing Director and Chairman, and be responsible for all financial matters including: supervision of the Accounts Department's preparation of Budgets, Cash Flow Forecasts, monthly and annual Accounts as well as various ad hoc assignments.

If you believe you can fulfil the requirements of this exciting opportunity and are aged 30 to 35 then please send a comprehensive C.V. quoting reference 1580 to:

M.G. Cook F.C.A., Cook and Partners,
Chartered Accountants,
Manufactory House, Bell Lane,
Hertford, Herts. SG14 1BP.

DIVISIONAL FINANCE DIRECTOR

With International Perspective

Greater Manchester £40/45k package + car

Our client is a substantial public company with interests worldwide. In order to compete more effectively and cohesively in a tough global marketplace, a new division (1/0 £75m) has been formed from a number of manufacturing and distribution businesses mainly in the UK and in Europe. To complete this major task, and help introduce the sophisticated procedures and systems necessary, the Managing Director requires a high-calibre business-minded Finance Executive.

An early priority will be to develop a strong and responsive reporting and control structure to provide the basis for management planning and decision-making. You will need to establish a regular review of key performance criteria including product profitability, and develop effective strategic planning and budgeting mechanisms for a world market that requires long-term commitment to capital investment.

To make a major contribution to the success of this initiative, you should be a graduate qualified accountant with a firm grasp of business realities and well-practised interpersonal skills. You will have an appetite for hard work and the necessary experience at a senior level to enable you to operate effectively within a demanding work environment.

To apply, please write to or telephone Dudley Haycox or Lawrence Barnett at our Manchester office, quoting ref. MK137.

ASB
Amethyst House, Spring Gardens
Manchester M2 1EA. Tel: 061-834 0618
Also at: Birmingham, Leeds, Liverpool,
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ASB RECRUITMENT LTD. A Division of ASB Barnett Kingsley Plc

FINANCE DIRECTOR

East Midlands c£40,000 package + benefits + exec. car
Age 30-45

Our client is a world leader in its niche specialism of high technology contracting and has consistently achieved this status by maintaining the highest standards of design, installation and service. It has a turnover in excess of £40m, and is a major subsidiary of an acquisitive public company. Its demand-led expansion plans, coupled with the Group's decentralisation programme, has created the need to strengthen the Board with a commercially-astute Finance Director.

Your key tasks will be to develop and improve the quality of financial information received by the executive team, highlighting and recommending action required. It will be necessary to upgrade the existing computer systems to achieve this goal, as well as building your finance team as required. Whilst this is a complex, international business, the Managing Director will quickly expect you to become involved in all areas of financially-related matters, make a significant contribution to strategic planning, and play a major part in increasing profitability and efficiency into the 1990's. You will also be expected to help in possible diversification activities.

You will be a clear-thinking, tough-minded qualified graduate accountant who has succeeded in an engineering or contracting environment by having excellent motivation and communication skills, the ability to initiate change, and the stature and presence to quickly be accepted by your colleagues.

To apply, please contact Chris Davis at our Birmingham office, quoting ref. BK115.

ASB
Wellington House, 34 Waterloo Street,
Birmingham B2 5UJ
Tel: 021-233 6101 Fax: 021-233 0027
Also at: Manchester, Leeds, Liverpool,
Nottingham and Swindon
ASB RECRUITMENT LTD. A Division of ASB Barnett Kingsley Plc

A Key Role at the Heart of a Multi-Disciplined Team

KINGFISHER

Group Tax Manager

Central London £ Competitive

A major quoted British group, Kingfisher is market leader in several retailing sectors and is also expanding fast in both property development and in financial services. The company is committed to dynamic growth, both internally and by acquisition.

Strategic direction and control of the group's activities is in the hands of a small, high profile and commercially orientated finance team of high calibre professionals, where promotion has created a vacancy for a Group Tax Manager.

Overseeing all the group's tax affairs, your role will comprise:

* Management and co-ordination of the tax function in the UK and elsewhere;

* Being part of the group's corporate finance team

and involved in acquisitions, corporate reorganisations and the planning of major projects in property and other areas;

* Planning the group's tax position in all areas.

A qualified accountant or FT Inspector, you will have at least 3 years' tax experience gained in public practice or commerce. You will have an outgoing personality and strong communication skills, both oral and written, as the role involves close liaison with the highest levels of management. Above all, you will want to be part of a small team running one of the UK's leading companies.

If you would like to know more about this challenging position, please contact Jane Hayes ACA on 01-831 2000 or write to her at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

MP
Michael Page Taxation
International Recruitment Consultants

International Accountant

{ c£27,000 + car }
{ Oxfordshire }

Over the last three years a radical and dynamic strategy-driven restructuring has transformed TI into a global player in the high margin, niche areas of specialised engineering. The Group has developed into a truly international and profitable organisation, primarily by a policy of disposal of non-core businesses and carefully selected acquisitions of new ones. As part of the restructuring exercise the Group is now setting up a new operating headquarters in Oxfordshire which has led to opportunities for two experienced and talented financial specialists to join the group at a demanding and exciting phase of its development.

Reporting to the International

Taxation Manager the successful candidates will be responsible for the development of the internal systems to charge services provided by one company to another. In addition the role will involve the undertaking of various tax related exercises associated with the company's international finance structure. A key part of the role will be extensive travel to ensure close liaison with all the operating companies.

These two challenging positions will require candidates qualified to ACA/ACMA level combined with several years experience of operating within a commercial environment. Because of the lengthy periods of working out of the office

you will have to be self motivated, with the ability to mix with a cross section of personnel. A working knowledge of a European language would be an advantage.

In addition to an attractive salary the position provides a car and excellent opportunities for advancement within a dynamic organisation. If you wish to be considered for this position please send a full CV quoting current salary to:

Penny Stocks
Price Waterhouse
Livery House
169 Edmund Street
Birmingham B3 2JB



Price Waterhouse



High Visibility and Broad Exposure FINANCIAL CONTROLLER

West End c. £30,000 plus car

Our client is a major publication, within one of the UK's most prestigious media/publishing groups. Well-known for its variety and quality, the group is in the process of devolving greater autonomy to its business units. This will in turn lead to the appraisal and redevelopment of many of the financial controls and reporting requirements.

A young Financial Controller who will be instrumental in these changes is therefore required.

Managing a team of 12 staff, you will be responsible for:

- Periodic/annual accounts and management reports
- Budgets and forecasts (P&L, Balance Sheet and Cash Flows)
- Managing an effective credit control function

- Liaising with operational management
 - Undertaking ad hoc investigations as required.
- This is an ideal opportunity for a young Accountant to not only run his/her own department but also to develop it and to direct change.

You will be a self-motivated qualified accountant, with highly developed inter-personal and leadership skills, with the ability to adopt a 'shirt sleeves' approach as well as to step back and take the broader overview.

Excellent opportunities for progression within the group exist in the medium term.

If you wish to discuss this opportunity further, please contact Shirley Knight, BA, MBA, ACMA on 01-491 3431 or write to FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and note of current salary.

FMS

Search and Selection Specialists
for
Financial Management

DOES YOUR COMMERCIAL FLAIR EQUAL YOUR KNOWLEDGE OF PUBLIC SECTOR PRACTICES?

BUSINESS ACCOUNTANT
Up to £19,890 p.a.

Competitive tendering has given a sharper edge to public sector practices - that's why we're looking for a special person to take on the role of our Business Accountant - within the Direct Services Organisation. Someone who combines business acumen and commercial flair with a real commitment to the public sector. Someone who wants an opportunity to broaden their experience across a wide range of activities.

An ICWA or CIPFA qualified accountant with several years' experience, you will be responsible for the management, control and development of financial and accounting procedures for the Direct Services Organisation, including preparing financial plans and developing and maintaining cost effective procedures for buying in supplies and materials.

In return, we offer an attractive benefits package which include flexitime, relocation and house purchase assistance schemes, free car parking, a generous holiday entitlement, free life assurance, 25% discount on private medical care, and an option to join our superannuation scheme.

Applications are welcome from anyone, irrespective of their sex, marital status, race, religion, colour or disability.

Job description and application form available from Personnel, District Council Offices, Civic Centre, St. Albans or telephone (0727) 33748 (24 hour answerphone service).

Completed application to be returned by 27th October 1989.



Finance Director Designate

East London.

£35,000 - £40,000

Our client is one of the most reputable names in the exhibitions and display stands industry. The company has seen an 80% growth in turnover in the past three years and is keen to expand the range of services still further. It has a broad spread of subsidiaries and divisions throughout the country and now has a turnover of £4 million.

A Finance Director Designate is sought to develop further financial controls in line with the commercial growth of the company. In addition to the traditional financial responsibilities, the appointee will become involved in commercial aspects of the business such as assessing the profitability of deals on potential acquisitions and liaising with local government departments on

potential grants. The position will also carry responsibility for staff relations.

The successful candidate will be a qualified accountant with an entrepreneurial approach and an interest in general management issues. Experience of a commercial role in the services sector is essential and you should be able to demonstrate a dynamic and ambitious personality.

As well as the basic salary, an executive car, pension contribution, private health care and a performance related bonus will be offered.

If you feel you have the necessary skills and experience to succeed in this role, please contact Kelly Irlonge in confidence at the address below, quoting reference SFA 1367.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION DIVISION, 8 BAKER STREET, LONDON W1M 1DA

A member of Horwath International

Financial Director

North West England

Salary c. £45,000 + benefits

Our client is a major privately owned international chemicals group, with global turnover in excess of \$1.5 billion. The group is expanding its European operations which include a UK subsidiary based in NW England. Turnover is expected to reach £80 million during 1990. Expansion will take place throughout Europe by organic growth, acquisition and joint venture.

The Financial Director will work closely with the Managing Director of the UK-based subsidiary, and assume responsibility for all aspects of the company's affairs, particularly the development and maintenance of reporting systems and process costing. There will also be an involvement in investment appraisal, acquisitions, foreign currency management, relationships with bankers and professional advisors and a full company secretarial role.

He or she will also work with the Senior Vice President (Europe) on strategic financial issues relating to the developing European operation, for example acquisition appraisal and negotiation, investment appraisal and currency management.

Candidates will be qualified accountants, educated to degree level, with experience in sophisticated accounting systems, process-based costing systems and US reporting requirements. Experience of currency management and investment analysis would be an advantage, as would a track record in the chemicals industry.

A prime requirement is the willingness to work as a member of the management team to develop accounting and costing systems, and to integrate successfully into an international organisation.

Please reply in strict confidence, with details of age, career and salary progression and education and qualifications to Caroline Dunk, Deloitte Haskins & Sells Executive Selection Group, Cloth Hall Court, Infirmary Street, Leeds LS1 2HT. Please quote reference FI/7185 on both envelope and letter.

Deloitte Haskins + Sells

EXECUTIVE SELECTION



FINANCIAL CONTROLLER

Oxford

from £32,500 + car

CSE Aviation owns and operates Oxford airport. Its main trading activities are fixed wing and helicopter pilot training, aircraft sales, maintenance and repair, aircraft operation and management, helicopter charter and aviation engineering training.

The Company's standards and services are highly regarded within the international aviation industry. Over the last 25 years, CSE has trained 6,000 students for more than 80 of the world's airlines. 450 people are employed in the various divisions and turnover is £25m.

Strong financial management and planning is crucial to these very different, albeit related, business activities. Reporting to the Financial Director, this key appointment carries full responsibility for the financial affairs of the

operating divisions, working within a small senior management team. There is considerable commercial involvement. Computerised systems are well established on a multi-terminal IBM S38.

Candidates must be qualified, commercially aware and used to managing in a broadly based business. They must have the confidence and communication skills quickly to establish rapport and influence with the executive team. A mix of financial and management accounting experience is sought and some treasury experience will be useful.

CSE is a dynamic business with exciting prospects including the development of pilot training operations in the US. To apply, please send a cv., noting current salary, to Mike Smith, quoting ref: C/71.

Director — European Taxes

West London, Middlesex

(Near Heathrow Airport)

Excellent salary + Car + Benefits

To meet the challenge of a rapidly expanding and highly developed European market, our client is seeking a dynamic tax specialist to become Director — European Taxes. This high profile position involves principally advisory and consultancy work and reports back to the U.S. parent directly to the Director — International Taxes. Responsibilities will include:

- Recognising, developing and communicating strategies designed to minimise the foreign tax liabilities related to the operations of and distributions from the corporation's European subsidiaries;
- Overseeing, coordinating and liaising with external tax advisors on compliance activities, tax audits and special European tax projects;
- Maximising tax efficiencies through implementation of restructuring and rationalisation strategies;
- Analysis of and participation in potential acquisitions and divestitures; and
- Identification and implementation of tax planning opportunities for all of the corporation's European subsidiaries.

For this highly demanding and autonomous role potential candidates should be self-motivated decision-makers with technical flair, preferably with ACA/ATII qualifications, and a minimum of 4 years' corporate tax experience gained within either a professional or commercial environment. This is an ideal opportunity for an innovative self-starter to carve out a special niche within a highly prestigious U.S. corporation. For an appointment at this level, there will be the opportunity for international travel, and financial rewards commensurate with experience.

For further information and an initial discussion please telephone Kate Bieby or Sarah Jamison on (01) 583 0673 (Day) or (01) 223 4176 (Evenings & Weekends). Fax (01) 353 3986. Alternatively write to Kate Bieby at 16-18 New Bridge Street, London EC4V 6AU. All enquiries will be treated in the strictest confidence.



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Financial Controller

MANCHESTER, TO £30K + BONUS + CAR

The UK sales and marketing company of a major computer manufacturer comprises a number of business units that focus on key industry sectors. Two of these are now being merged to form a major commercial entity with turnover in excess of £150 million and some 650 staff.

The restructuring has created the need for a senior manager to provide a financial planning and accounting service to the unit. Responsible for a small team, you will have a wide role that encompasses both the preparation of financial plans, budgets and forecasts, and the reporting and

monitoring of financial results and trends. In particular, you will be expected to ensure that the accounting systems and processes are developed to the highest professional standards and to meet the changing needs of the business. A priority will be the successful integration of the finance functions of the two business units.

This is an excellent opportunity for an ambitious graduate accountant to join a substantial multinational organisation, where management development and progression are given high priority. You will be in your late 20's or early 30's, with several years post qualification

experience gained in a senior financial role in commerce or industry.

Résumés please, including a daytime telephone number and an indication of present salary, to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abacus Court, 6 Minster Street, Manchester, M1 3ED, quoting reference P19.

Executive Resourcing
Coopers & Lybrand

Financial Controller

East Midlands

Circa £30K + benefits

• OUR CLIENT is a long established, quoted group whose principal activities include housing, construction and property development. The group has a turnover of circa £160 million and has an exceptional record of growth and profitability.

• A FINANCIAL CONTROLLER is required to work with the Group Finance Director and be responsible for head office staff providing accounting services to the rapidly expanding commercial division which includes construction, property and other developing activities. It will involve close liaison with group and subsidiary staff as well as auditors, legal advisors, bankers, insurance brokers and pension advisers. It is an opportunity to join the top management team of a successful, major quoted group and to participate actively in its further growth.

• CANDIDATES should be qualified accountants, ideally ACA/CA, aged around 30, with experience of a range of larger audits and several years in industry preferably in the construction/property development sectors. Ideal experience will include line management of an accounts department, consolidation of group accounts in a public company, involvement and interest in taxation and treasury. In personal terms, the candidate will be enthusiastic, ambitious, sound in judgement and with the ability to work independently.

• REMUNERATION package will include attractive basic salary, performance bonus, share options, company car and other benefits normal to a major group.

Please write in confidence, enclosing full career details, quoting ref. S/1008, to: Mark Stroud, WBH Human Resources, Alliance House, 63 St. Martin's Lane, London WC2N 4JX.

University of London
The London School of Economics and Political Science
INSTITUTE OF MANAGEMENT
Chair in Management

Applications are invited for the above newly established Chair at the London School of Economics. The holder of the Chair will act as Director of the School's new Institute of Management and will be expected to play a key role in the setting up and development of the Institute. Drawing on the School's strengths in the social and human sciences, the aim of the Institute is to provide a focus in the School for the careful and serious study of management, with particular emphasis being given to its international aspects. The Institute will undertake and co-ordinate undergraduate and postgraduate teaching, research and short courses in the area of business and management studies. Applications are welcome from candidates in the social sciences with interests in any area of management who would be interested in leading this new initiative.

Further particulars for this post are available from the Staffing Officer, The London School of Economics and Political Science, Houghton Street, London WC2A 2AE. Applicants should submit eight copies of a full curriculum vitae together with the names of three referees to the Staffing Officer, London School of Economics and Political Science. Closing date for applications 20 November 1989.

Financial Accounts Manager

South Hertfordshire

c £28,000 + Car + Benefits

Our client, a major force in the electrical retailing business, is an integral part of an impressive international group turning over in excess of £3 billion and employing over 64,000 people around the world.

Following recent reorganisation the need has arisen for a Financial Accounts Manager at their Head Office. Reporting directly to the Financial Controller you will be responsible for the management of the financial accounting function including a significant number of staff, not all at the same location.

Although a sound technical background is necessary, the role requires mature candidates with proven management, communication and administrative skills with an analytical approach to problem solving.

Knowledge of EPOS, although not a prerequisite, would be an advantage.

Ideally, candidates should be qualified accountants, aged 28-35, currently in managerial positions within a retail or service environment, yet still seeking further challenge and responsibilities. Prospects, being part of an international group committed to individual development and progression, are extremely attractive.

In the first instance, interested applicants should write to Helen Wallis at Michael Page Finance, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA enclosing your current Curriculum Vitae. Alternatively, contact her on (0727) 65813.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Startrite
SHOES LTD.



FINANCIAL CONTROLLER/ FINANCE DIRECTOR DESIGNATE

NORWICH 28K + Car + Profit Share

Start-rite Shoes, the long established shoe manufacturer with a £20m turnover and an expanding retail subsidiary, seeks a fully qualified, commercially minded accountant - probably aged 30/40, with experience of producing financial and management information to tight deadlines and with a sound knowledge of computer based accounting systems.

The successful applicant, as well as being responsible for monthly management accounts, budgets, cashflow forecasts and the development of the financial and cost accounting systems, will be an active financial manager and will be able to contribute significantly to future policy as an integral member of a small but successful management team.

Apply in confidence with full CV to:

The Secretary,
Start-rite Shoes Ltd.,
Crome Road
NORWICH NR3 4RD

Deputy Chief Accountant

BNP Securities Ltd., the London securities division of Banque Nationale de Paris, is continuing its expansion in the European equities market.
An excellent opportunity has now arisen for a qualified accountant to join our team.

Responsibilities:

Day to day running of the accounting function, responsible for the supervision of 2 staff;
Production of management, group and regulatory returns to tight deadlines;
Continued development of the accounts department procedures and controls, including computer implementation.

Profile:

Newly qualified graduate Chartered Accountant from the Big 8 with an excellent academic record;
Able to communicate effectively, orally and in writing, at all levels;
Flexible and self-motivated, able to work to deadlines.

Rewards:

Exciting environment, providing personal and professional challenges;
The position offers significant career development potential within the BNP Group;
Basic salary in the region of £25K, plus bonus and benefits.
Please write with full CV to: Sue Harwood, quoting Reference SH270.

BNP BNP SECURITIES LTD.,
P.O. Box 554, 8-13 King William Street,
London EC4N 7EX.

AMBITIOUS YOUNG CHARTERED ACCOUNTANT

Senior Finance Position

Excellent technical & man-management skills
TO £32,500 + Car + Bonus & Substantial
Mortgage Benefit

The company is the UK subsidiary of one of the largest international financial services companies in the world. They have expanded rapidly in London and now have a staff of over 400 people.

The requirement for a Manager-Finance & Accounting, is a new one and is a result of the rapid growth of the business.

The main responsibilities of the position are as follows:

- * Completion of periodic financial statements to tight reporting deadlines.
- * Review daily and weekly "flash" results.
- * Manage and co-ordinate the group management accounting team.
- * Liaise with the external auditors on UK corporation tax issues.
- * Ad hoc projects.

Reporting directly to an Associate Director the successful candidate will be a Chartered Accountant between the ages of 25-29, with at least two years post-qualification experience, within a financial services group of a major UK Accounting Practice. The opportunities to progress within the company are outstanding.

For further information in strict confidence, please contact Raj Munde A.C.A. on 01-240 1040 or forward a detailed résumé to our London office quoting reference no. 9/663, Morgan & Banks, Search and Selection plc, 114 St. Martin's Lane, London WC2N 4AZ. Fax: 01-240 1052.

Morgan & Banks

LONDON WASHINGTON SYDNEY AUCKLAND

Chief Executive — Financial Services

to £60,000 + Benefits
London

Our client is a financial intermediary engaged in pension consultancy, general insurance, personal financial planning for high net worth individuals and insurance broking. Operating from offices in the South East and Midlands the business has reached an exciting stage in its development, necessitating the appointment of a Chief Executive.

The appointee will assume complete responsibility for the planning, direction and expansion of the business. In addition to a well developed strategic capability, the Chief Executive must lead the existing management team to realise the company's full potential. Liaison with major shareholders is also a primary requirement of the job.

Candidates must be qualified accountants who can demonstrate a track record in commercial management. Presence, strong people skills and a thorough understanding of the financial services sector are essential qualities for success in this high profile role.



CLARK WHITEHILL
Executive Selection

For further information, reply in confidence to
David Kennedy, Clark Whitehill Consultants Limited,
25 New Street Square, London ECA 3LN.
Tel: 01-353 1577.

Financial Managers

Attractive Package Midlands/International

Excellent opportunity for young Graduate Accountants to join the fast track in a leading UK engineering and service multinational.

THE COMPANY

- ◆ FTSE 100 plc poised for further growth with diversified manufacturing and service businesses in Europe and USA.
- ◆ Strong emphasis on financial management throughout Group.

THE POSITION

- ◆ Initial placement in a substantive role in corporate finance, treasury or central finance function.
- ◆ Early progress into senior financial appointment in corporate centre or in operating companies.

QUALIFICATIONS

- ◆ Exceptional business/economics graduates with accounting qualification.
- ◆ Excellent record of post-qualification achievement either in profession, industry or the City.
- ◆ Strong technical and inter-personal skills, drive and ambition to achieve early senior responsibility.
- ◆ International Mobility.

THE REWARDS

- ◆ Competitive base salary with excellent fringe benefits including fully expensed car.
- ◆ Outstanding prospects.

Please reply in writing, enclosing full cv, reference SH270.
Bennetts Court, 6 Bennetts Hill,
Birmingham B2 5AF

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HONG KONG · (HK) 5 217133

Finance Director

to £45,000 + Benefits
London

Our client is a leading UK professional practice which has enjoyed consistently high organic growth in recent years. In addition to promoting existing areas of expertise, new client services are being developed on an ongoing basis. Key to the continuation of this trend is the appointment of a Finance Director.

Reporting to the Chief Executive, the appointee will assume total responsibility for the financial management of the business and will play a major role in determining and shaping the future direction of the practice. In particular, applicants should have the strength of character and charisma necessary to challenge past practices and existing beliefs.

Candidates must be qualified accountants with a track record of achievement in a client orientated environment. Although technical strength is essential, the job demands a commercial perspective to ensure that corporate objectives are realised.



CLARK WHITEHILL
Executive Selection

For further information, please reply in confidence to
David Kennedy, Clark Whitehill Consultants Limited,
25 New Street Square, London ECA 3LN.
Tel: 01-353 1577.

GROUP FINANCE AND DEVELOPMENT MANAGER

£50,000 + EXCELLENT BENEFITS

As a leading building society and financial services organisation, the Halifax has constantly achieved outstanding levels of performance. Our strong commitment to major growth is reflected in our current plan to expand on a truly European basis, offering enormous potential for future development.

AN EXCELLENT PAST, AN EXCEPTIONAL FUTURE

It is against this background that we are seeking to appoint a professional of exceptional strategic vision, who is capable of driving the organisation ahead to greater success. Your brief will include advising on new European and UK initiatives, and also controlling the plans and targets of existing business.

A Chartered Accountant, this will not only call on all your substantial experience - ideally in corporate finance - but will also demand a high level of personal credibility. In return, we offer an excellent remuneration package including a range of impressive benefits.

In the first instance, please contact Group Personnel and Services Director, Halifax Building Society, Head Office, Trinity Road, Halifax, W. Yorkshire HX1 2RG quoting ref: GFDMM.

Halifax is fully committed to equal opportunities for all.



Finance Director Diversified Engineering Group

£35,000 plus benefits South West

Creative and determined finance professional to play a strategic role in managing and controlling the rapidly expanding engineering interests of a successful industrial holding group.

THE COMPANY

- ◆ Successful and acquisitive subsidiary of a respected manufacturing and services plc.
- ◆ UK market leader in a specialist sector with significant international growth potential.
- ◆ Multi-site UK operations. Turnover c.£30m set to rise substantially in the short term.

THE POSITION

- ◆ Create and implement the financial controls and systems to optimise financial and operational performance.
- ◆ Key role in strategy formulation, the acquisition process and capital investment appraisal.
- ◆ Responsible for treasury, company secretarial matters and standardising administration and contract procedures.

QUALIFICATIONS

- ◆ Intelligent and imaginative accountant with the energy and business skills to devise and introduce appropriate management reporting disciplines.
- ◆ Experienced in change management in manufacturing engineering environment and in implementing computer systems.
- ◆ Age 30-45. A decision maker with good personal presence and communication skills.

THE REWARDS

- ◆ A good base salary with significant bonus potential, options and full benefits.
- ◆ Exciting career opportunities within the plc.

Please reply in writing, enclosing full cv, Reference SH3929
Orion House, Grays Place, Slough SL2 5AF.

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COMPANY ACCOUNTANT

Excellent salary + Car + Other benefits
(Rural Location)

Our client, a highly successful UK subsidiary of an international engineering company, offers an ambitious accountant excellent career prospects.

The candidate will initially work at the company's Head Office in Croydon, with a view to relocating with the company in 1990 to custom built offices in rural Telford.

Responsible directly to the Managing Director and in charge of a team of 5, you will be keen to contribute to the continued success of the business. You will undertake a wide ranging role involving the day to day running of the financial function, computerised systems development and significant involvement in the management decision making process.

A strong business and commercial bias is vital, relevant experience being more important than professional qualifications.

If you wish to apply please write with comprehensive career details or phone for an appointment with: Belinda Brown
Kingston Smith Chartered Accountants
Devonshire House, 146 Bishopsgate, London EC2M 4JX
Telephone: 01-377 8888

INTERNATIONAL COMPANIES AND FINANCE

SocGen and CCF report strong rises in first half

By George Graham in Paris

THE two largest French privatised banks, Société Générale and Crédit Commercial de France (CCF), yesterday both reported strongly improved earnings for the first half of 1989, despite the negative effects of an inverted yield curve: on profits in the bond market.

Société Générale, the fourth largest banking group in France, said that net profits rose to FF1,750m, (€275m) up by 21 per cent compared with the first six months of last year.

But Mr Marc Visnot, chairman, warned yesterday that earnings for the full year would probably only show an increase of between 15 and 20 per cent, since the comparison with 1988's moderate first half was unduly favourable. Mr

Visnot said the group's classic banking activities had performed well, with a 5 per cent increase in lending income.

Fund management activities, helped by Société Générale's recent acquisition of Touche Reunault in the UK, also performed well, as did the group's overseas banking divisions, especially London, New York and Athens.

Société Générale's London securities operations turned round from a loss of FF45m to a profit of FF70m in the first half, but profits from domestic bond market operations were an estimated FF1300m below target, as short-term interest rates were for much of the period higher than bond market yields. The bank raised its bad debt provisions by FF2,150m, and has now cov-

ered 60 per cent of its exposure to its 10 main risk nations.

CCF, meanwhile, announced net profits of FF335m, a gain of 38 per cent from the first half of 1988 after retrestment of the figures to make the two periods comparable in accounting terms.

The bank warned, however, that the comparison with the first six months of 1988 gave an unduly favourable impression, noting that earnings were up 16 per cent compared with half of 1988's full year profits.

The group's net banking income rose by 8.6 per cent to FF3,820m while expenses rose only 5.1 per cent to FF3,561m, leaving gross operating income 9.2 per cent higher at FF1,070m. CCF also increased its bad debt provisions by FF1,020m, however.

Gechem unveils first profits since 1985

By Tim Dickson in Brussels

GECHEM, the Belgium chemical company until recently dubbed one of Société Générale de Belgique's most notorious "lame ducks," yesterday announced its first profits since 1985 and the near completion of its divestment programme.

In its first ever half yearly statement the company said it had achieved earnings before tax in the first six months of 1989 totalling BFR750m (\$18.9m), with net income falling to BFR307m, after BFR250m of charges and taxes and a further BFR200m in restructuring provisions.

First half consolidated sales amounted to BFR23.5bn.

Gechem also predicted "overall performance in the second half should be equally as good as the first half" and barring dramatic and unpredictable changes in the market, consolidated income for 1989 should reach about BFR750m, against a BFR688m loss in 1988.

Mr Jean Durosney, chairman, explained yesterday that following the disposals of Azotherm in plastic films, OmniChem in fine chemicals (to the Japanese group Ajinomoto) and PRB in defence (to Astra of the UK), Gechem has taken a "critical step" in focusing its resources on two key activities.

These are polyurethane foams (via Recticel) and metallic oxides and salts (through Sadechem).

The overall profits from the divestment programme, which will be taken into Gechem's books in the second half of the year, amount to roughly BFR250m.

Mr Durosney said yesterday that both activities are now poised for increased profits and growth and that Recticel, whose stated aim is to achieve turnover of BFR500m by 1992, is negotiating new projects in West Germany and the US.

The company has already made a number of small but "strategically important" acquisitions in the Netherlands, Belgium, Spain and the UK.

Arbed steels itself for a new era

Lucy Kellaway on a change in fortune at the Luxembourg producer

THE constant crisis in which Arbed, the Luxembourg steel producer, has lived for the past 13 years has ended.

The company, which two decades ago accounted for a quarter of the country's GNP, has cut itself down to size; after investing LFR50bn (\$1.2bn) and shedding two thirds of its workforce, it considers itself to be Europe's most profitable steel company.

Last week's six-fold increase in profits, and promise given to loyal and patient shareholders that they will get a dividend this year for the first time in a decade, point to the beginning of a new era.

However, Arbed's investors, who have been looking forward to this date for the past two years, are starting to have their doubts. Indeed, the near 5 per cent fall in the share price since last week shows the market views this as the top of the cycle, and has started to worry about what will happen next.

The great turnaround in Arbed's steel division from a loss of LFR2.2bn in 1987 to an expected profit this year of more than LFR6bn, would not have happened without the fair wind from the steel market.

Demand in the third quarter of the year was at its best for 10 years, and even though the immediate prospects for European demand for steel are fair, many analysts expect a contraction in the market next year. For Arbed, the problem is not urgent, as its order book for the next six months to one year is healthy.

The question is what happens thereafter, and Arbed, like any of the other steel producers, is making relatively cautious noises about demand a year from now.

The steel industry in general is in much better shape this time to withstand any downturn, as it is currently close to full capacity, and is far more efficient than before.

Even though a re-run of 1975 - when steel demand fell by 30 per cent overnight - is unthinkable, this time there will be no European steel quotas to fall back on.

Arbed is trying to urge the industry into some kind of voluntary cutback, but so far the collective will seems to be lacking. But even without such support, Arbed considers itself relatively well placed: the light



Arbed's cold mill at Dudelange, with (right) M. Pierre Thein, planning director

pulse of Luxembourg has never been able to provide subsidies quite on the scale of other European countries, forcing the company to be more self-sufficient than some rivals.

Nevertheless, it would not take a very pronounced fall in demand for Arbed, along with most of the rest, to find itself making losses again.

Against that, the company has two plans of action: to increase productivity further and diversify. It aims to reduce its workforce from about 10,500 to 8,500, so by 1993 it will take only 3 man hours to make a tonne of steel, compared to 3.5 now, and 10 in 1975.

If it can achieve that kind of saving, the company believes it should be able to remain in the black whatever.

While rationalisation is nothing new, diversification represents something of a departure. During the last 12 years, Arbed has had more pressing concerns, but now its balance sheet is strong - thanks to last year's restructuring and to this year's convertible issue - it has started to look outside the steel industry to deploy its LFR25bn cash flow.

Its method, however, is going to show all the conservatism for which Arbed is famous. According to M Pierre Thein, director of planning: "Diversification is the most dangerous thing you can do, so we shall go slowly. By the year 2000 we would like to have a significant part of our business in non-steel areas."

Correspondingly, the immediate budget is small, about

LFR7bn between now and the end of 1992 - about half of the steel investment budget. The company is now in the process of agreeing its largest move yet away from steel - a partial takeover of Yates Industries of the US, a maker of copper circuit boards.

Earlier this year, Arbed commissioned the Battelle Institute to design a diversification strategy for it. The result centres around the fashionable notion of value-added: the chosen areas for expansion are those in which Arbed either has relevant technical know-how - as is apparently the case with Yates - or has established links with the customers.

Arbed's strategy differs somewhat from some of the other pure steel producers like Finisider of Italy, which is not ready to diversify, or British Steel, whose diversification ambitions are limited to further moves downstream in steel - of the kind that Arbed has been taking since the 1920s.

The stockmarket rehabilitation of Arbed has been so enthusiastic even the company executives think things have got out of hand. The share price has risen from LFR1000 two years ago to more than LFR7000 last week - a large rise even by the prodigious

standards set by the other European steel producers.

Part of the extra has been a simple matter of discovery. "Arbed has been in severe difficulties for 15 years, a lot of people didn't know it existed or had forgotten about it. To invest in Arbed, you no longer have to be such a maverick," said Mr Peter Dupont of Phillips & Drew.

The process of discovery has also been helped by the change of ownership at Société Générale de Belgique, which holds 23 per cent of the shares. In the course of the battle for control of Belgium's biggest company, an attempt was made to find out what all its stakes were worth, which meant looking closely at Arbed.

The figure produced, about LFR8,000 an Arbed share, astonished more or less everyone, revealing for the first time the amount of value hidden in the Belgian and Brazilian parts of the group.

Subsequently, the company has started to supply the market with more information, producing consolidated accounts, to allow investors to reach a rather better informed decision on the value of the shares.

There are however, precious few signs of Arbed ever becoming a truly open company with modern democratic management techniques.

It remains a big fish in the very small pond of Luxembourg, conservative, paternalistic and secretive, with all the advantages and disadvantages flowing from that.

Cadence Design Systems to join MCC group

By Louise Kehoe in San Francisco

CADENCE Design Systems, a leading supplier of computer-aided design (CAD) software to the electronics industry, has joined the Microelectronics and Computer Technology Corporation (MCC), the six-year-old research co-operative aimed at strengthening US competitiveness in information technologies.

Cadence has agreed to share its CAD technology with the research group in lieu of paying membership fees. CAD programs are used to automate the process of designing complex electronic circuits and semiconductor chips.

Cadence will participate in MCC's CAD research programme, one of four big programmes undertaken by the consortium. Cadence is the first CAD supplier to join the group. Other members currently include leading US semiconductor, electronics, aerospace and computer manufacturers. "CAD is one area in which the US holds a technological lead, but it is a fragile lead," said Mr Grant Dove, MCC chairman.

Motor-Columbus ahead despite N-plant write-off

By William Dullforce in Geneva

MOTOR-COLUMBUS, the Swiss industrial group, which has been diversifying out of the energy field after the Federal Government's decision not to build a nuclear power plant, reports a 4 per cent increase in net earnings to SFR15.2m (\$3.3m) for the year ending June 30.

Group sales rose from SFR1.6bn in 1987/88 to SFR1.7bn. Cash flow at SFR130m was up by 8.3 per cent. The board of the parent company recommends an unchanged dividend of SFR35 per share. It also proposes a two-stage increase in the share capital, to take it to SFR75m.

A four-for-one rights issue of bearer shares, nominal value SFR500 each, at a price of SFR1,000 will increase the share capital by SFR45m. A further SFR30m will be raised by an issue of bearer shares.

In the 1988/89 account, Motor-Columbus has written off the SFR94m loss it suffered from the decision not to build the Kaiseraugst nuclear plant, while Ael, the power utility, in which it holds a 53 per cent stake, wrote off SFR175m.

The Baden-based parent is channelling new investments running at about SFR60m a year into new technology. Turnover in the communications sector climbed to SFR250m.

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Sasea posts 27% increase

By William Dullforce in Geneva

SASEA HOLDING, parent company of the Geneva-based investment banking group headed by Mr Florio Fiorini, yesterday posted a 27 per cent increase to SFR15.4m (\$3.4m) in net profit for the year ending June 30, writes William Dullforce. Net earnings per share were SFR7.65, against SFR6 for



A four-for-one rights issue of

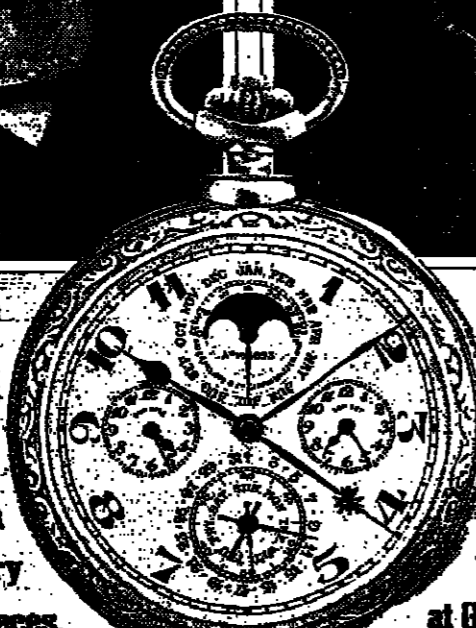
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Jardine Matheson

"Outstanding interim results throughout the Group."

Henry Keswick, Chairman



Jardine Matheson Interim Report Highlights 1989

- Profit + 41%
- Earnings per share + 44%
- Dividend + 24%

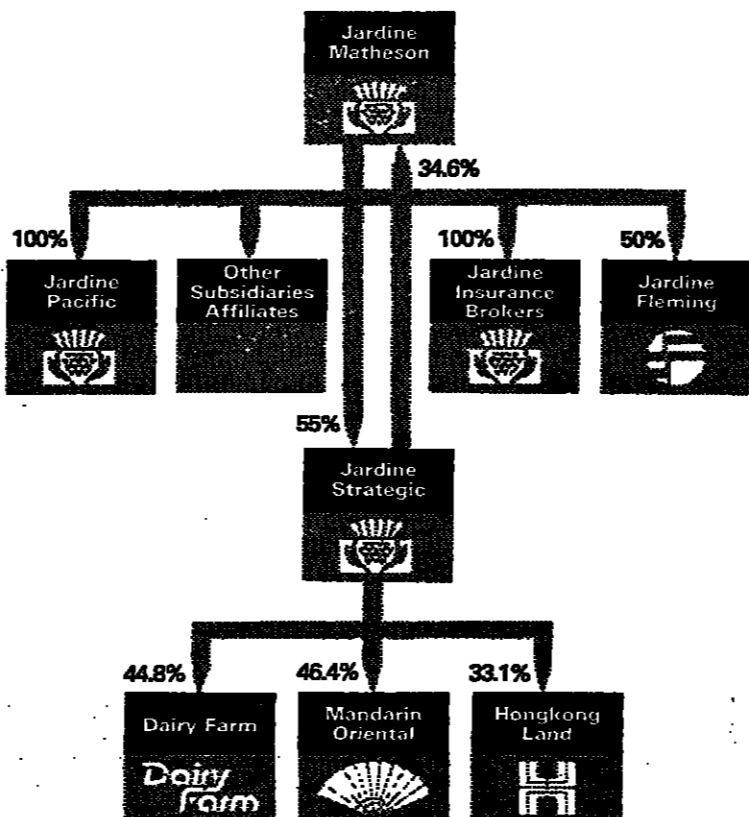
Substantial profit growth from all major businesses

Further growth expected

The significant increase in profit in the first six months is unlikely to be repeated to the same extent in the second half, due partly to the slowdown in tourism and consumer spending in Hong Kong following the recent events in China. The broad functional and geographic spread of the Group's businesses should, however, enable a satisfactory rate of profit growth to be maintained and the outlook for the full year is most encouraging.

HENRY KESWICK, Chairman
Hong Kong, 29th September 1989

	6 months ended 30th June 1989	6 months ended 30th June 1988	Year ended 31st December 1988
Revenue	8,887	8,077	14,817
Profit after taxation and minority interests	334	400	1,112
Minority interests	288	—	—
Profit attributable to shareholders	422	400	1,112
Dividends	1,788	1,435	2,824
Earnings per share	1.34	1.25	3.24
Dividends per share	0.91	0.71	2.48



The chart shows in outline form the Group structure and effective interests at 30th September 1989



Jardine Strategic Interim Report Highlights 1989

- All major investments performed well
- Jardine Matheson earnings per share +44%
- Dairy Farm earnings per share +25%
- Hongkong Land earnings per share +41%
- Mandarin Oriental earnings per share +23%

Shareholdings in listed investments increased

Jardine Matheson now 34.6% held

Dairy Farm now 44.8% held

Mandarin Oriental now 46.4% held

Based on the underlying earnings growth of the Company's major equity-accounted investments, the value of the Company's portfolio in recent years has consistently outperformed the stock market as a whole. Looking ahead, we are confident that we shall see a satisfactory further improvement in earnings during the second half of the year.

HENRY KESWICK, Chairman
Hong Kong, 29th September 1989

	6 months ended 30th June 1989	6 months ended 30th June 1988	Year ended 31st December 1988
Revenue	34	62	63
Profit after taxation and minority interests	827	375	675
Minority interests	13	9	42
Profit attributable to shareholders	828	384	717
60% performance dividends	888	651	1,011
Dividends - preferred ordinary	458	333	721
— ordinary	288	464	1,122
Earnings per share	1.43	1.43	1.43
Dividends per share	0.78	0.88	1.25
— preferred ordinary	0.18	0.15	0.50
— ordinary	0.60	0.73	0.75
Net asset value per share	18.82	13.14	18.11

Dairy Farm Interim Report Highlights 1989

- Profit + 32%
- Earnings per ordinary share + 25%
- Dividend per ordinary share + 25%

Operations

Asia

Hong Kong

All operations performing well with 21 new outlets opened

Mexico's shows good profit growth with 15 new outlets opened

Taiwan

14 supermarkets and two Mennings now open

Thailand

New supermarket joint venture established

AUSTRALIA

Market share increasing, South Australian market entered

UK

Now: Save interim profit to 11th March 1989 up 33.7%

"The Company's principal activities continue to have good prospects for growth and the outlook for the remainder of the year is encouraging."

SHAWN KESWICK, Chairman
Hong Kong, 21st September 1989

	6 months ended 30th June 1989	6 months ended 30th June 1988	Year ended 31st December 1988
Sales	8,201	7,044	17,582
Profit after taxation and minority interests	888	306	770
Performance dividends	873	63	103
Profit attributable to ordinary shareholders	322	252	668
Earnings per ordinary share	24.3c	19.4c	51.5c
Dividends per ordinary share	9.0c	7.0c	25.0c

Mandarin Oriental Interim Results 1989

- Profit + 31%
- Earnings per share + 23%
- Dividend per share + 37%

"The Oriental, Bangkok, voted 'Best Hotel in the World' by International Travellers with Mandarin Oriental, Hong Kong, second in the Asia-Pacific region."

"The Oriental, Hongkong, voted 'Best Hotel in the World' by International Travellers with Mandarin Oriental, Hong Kong, runner-up."

"Tourism in Hong Kong and Macau has been affected by events in China... However, overseas tourists are performing well... Mandarin Oriental should show satisfactory earnings growth for the full year."

SHAWN KESWICK, Chairman
Hong Kong, 20th September 1989

Mandarin Oriental International Limited
Incorporated in Bermuda with limited liability
221 Gloucester Road, Causeway Bay, Hong Kong

	(US\$ million)		
	Six Months Ended 30th June 1989	Six Months Ended 30th June 1988	Full Year Ended 31st December 1988
Revenue	503.4	429.8	917.2
Profit after tax and minority interests	190.4	145.1	348.6
Minority interests	—	48.2	48.2
Profit attributable to shareholders	190.4	193.3	299.8
Dividends	74.5	54.0	229.4
Earnings per share	28.2c	22.9c	54.3c
Dividend per share	11.0c	8.0c	34.0c

Hongkong Land Interim Report Highlights 1989

- Profit after taxation + 43%
- Earnings per share + 41%
- Dividend per share + 23%

Portfolio 69% leased

HK\$2 per share paid to shareholders in corporate restructuring.

"Hongkong Land's portfolio is almost fully leased and, with supply still limited, the prospect for positive rental increases both this year and next year is encouraging. The rate of earnings growth in the second half of the year will be lower, due to the interest cost of the HK\$2 per share paid to shareholders in May. Nevertheless, we expect results for the full year to show a very satisfactory increase."

SHAWN KESWICK, Chairman
Hong Kong, 22nd September 1989

	6 months ended 30th June 1989	6 months ended 30th June 1988	Year ended 31st December 1988
Profit after taxation	767m	536m	1,217m
Earnings per share	35.1c	21.4c	46.3c
Dividends per share	18.0c	13.0c	38.0c

The above figures will be closed from 8th to 17th November 1989, both days inclusive. Share certificates must be lodged with the Company's Registrar by 4.00 p.m. on 30 November 1989.

Jardine Matheson Holdings Limited
Incorporated in Bermuda with limited liability

Copies of these Interim Reports are available from the Company Secretary, Jardine Matheson, Jardine House, Hong Kong

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Exchange rate: HK\$7.80 = US\$1.00

INTERNATIONAL CAPITAL MARKETS

Warm reception for clutch of Swiss franc issues

By Andrew Freeman

SWITZERLAND was the most active among international bond markets yesterday as new public issue business dried up completely in other sectors.

Syndicate officials were bemoaning the lack of arbitrage opportunities which was hindering issuance to what they described as deep demand for US dollars.

However, in Switzerland the market showed signs of returning health as three deals were launched to good receptions.

Union Bank of Switzerland was the lead manager of a SF200m convertible issue of SF200m convertible issued by Dallick Corporation, the Japanese real estate company formerly known as Jutaku Ryutens.

of 3.85 per cent. Demand was firm, with investors putting money behind their bullish view of the Japanese equity market. UBS was quoting the paper at 103 1/2 bid, a fine premium to the par issue price.

Nomura (Switzerland) INTERNATIONAL BONDS

brought a SF300m convertible for Fujikura Rubber at almost identical terms, but the smaller size of the deal inspired even higher prices, with Nomura quoting the paper at 105 1/2 bid. In late trading, the price reached as high as 106 bid, way above the par launch.

demand for its SF300m convertible for Talkisha, the engineering company. The bonds traded at 105 bid.

Elsewhere, syndicate managers were busy speculating on which of them would win the mandate for a \$1bn jumbo deal for Italy. There was talk that banks were finding it difficult to package a deal meeting the borrower's requirements.

A DM15m 10-year private placement for Tiroler Sparkasse, held up in late September after objections from the Bundesbank because the original lead manager was not based in Germany, has been launched by Banken Union, the merchant bank based in Frankfurt. Banken Union is owned equally by three savings banks, one of which is Tiroler Sparkasse.

NZ traders take DFC failure in their stride

By Terry Hall in Wellington and Anatole Kaletsky in New York

NEW ZEALAND financial markets yesterday made light of Tuesday's failure of DFC New Zealand, the former government agency turned merchant bank in which Salomon Brothers, the US investment bank, has a 20 per cent shareholding.

The share market stayed buoyant with price rises outnumbering falls by a ratio of 3 to 1, and the money market was little changed. The NZ dollar eased slightly, however, as dealers showed concern at the wider impact of New Zealand's biggest corporate collapse.

In part, this muted reaction reflects the fact that the collapse of DFC was entirely unexpected following the gradual downgrading of the bank's credit rating.

Yet further evidence of official concern emerged yesterday when Mr Don Erash, the governor of the central bank, told a parliamentary select committee that the bank had been closely scrutinising the DFC since last November.

DFC's major shareholder with 80 per cent is National Provident Fund, a local mutual group. Both it and Salomon have declined put fresh capital into DFC.

Salomon in New York said that discussions with the New Zealand Government were being handled by National Provident, as the majority shareholder. They indicated that Salomon was likely to follow National Provident's lead in any resolution plan for DFC.

Salomon officials noted that DFC would have needed a capital injection of "hundreds of millions of dollars" to remain solvent and that National Provident was not prepared to provide this.

As the minority shareholder, Salomon was unlikely to come forward with large amounts of capital either, officials said.

The statutory managers appointed to try to restructure DFC, would make no comment yesterday. Work continued on several DFC-funded building projects.

The managers are expected to concentrate on the bank's heavy overseas borrowings. It is understood they are having to deal with often hostile lenders, whose assets in the bank have been frozen.

Mr David Caygill, the New Zealand minister of finance, said that the DFC collapse would have little effect on the economy overall.

"It is probably too early to say whether significant sums of money will be lost," he said. "In effect, the DFC was insolvent. It had run out of money. But that is not the same as saying that people might lose money."

"It could be that in time most of the liabilities can be matched against DFC's assets," Mr Caygill said.

Toronto lawyers in merger

FASKEN MARTINEAU Walker is merging its Toronto arm with Campbell, Godfrey & Lewtas, of Toronto, to form Canada's largest legal firm with 362 lawyers, Robert Gibbons writes from Toronto.

The merger is the latest in a series of consolidations among law firms and other professional groups, driven by the demand for full service, greater speed and expertise. The high cost of computerisation is a factor.

The new firm will have offices in London and Brussels and links with the Pacific Rim.

Table with columns: Borrower, Amount m., Coupon %, Price, Maturity, Fees, Book runner. Includes entries for Credit Lyonnais, Swiss Francs, US Dollars, etc.

3i's Paris unit doubles investment funds

THE PARIS offshoot of 3i, the provider of risk capital owned by the UK clearing banks, yesterday announced that it had doubled its funds for investment in France to Fr1bn (\$156.2m), writes William Dawkins in Paris.

office of 3i among the top four or five risk investment groups in France. It comes because 3i's French subsidiary has run through its initial Fr510m, invested in 57 companies.

ment would be so-called management buy-ins, where a team of outside managers takes over a target company. He said there were large numbers of medium-sized family companies facing succession problems, which would be ripe for buy-ins.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Large table with columns: Country, Issuer, Amount, Coupon, Price, Maturity, Yield, etc. Includes sections for US DOLLAR, STRAIGHTS, YEN STRAIGHTS, CONVERTIBLE, and SWISS FRANC.

Notes and footnotes regarding bond data, including straight bonds, floating rate notes, and convertible bonds. Includes a note about the amount being in billions of currency units.

All of these securities having been sold, this advertisement appears as a matter of record only.

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Advertisement for InterVoice, Inc. featuring the company logo, a list of financial institutions (e.g., Bear Stearns, Goldman Sachs, etc.), and contact information for William K. Woodruff & Company.

Table titled 'WEEKEND FT Advertisement Rates' with columns for Advertiser, Rate, and other details.

INTERNATIONAL CAPITAL MARKETS

Europe braced for German rate hike

By Rachel Johnson in London and Janet Bush in New York

EUROPE'S government bond markets were yesterday bracing themselves for a rise of at least half a percentage point in West German interest rates as the Bundesbank policy-setting council meeting today.

It seems that whatever the bank does, the markets will remain nervous: in the unlikely event of credit policy being left unchanged, markets will have to readjust. With a half a point rise, they will start waiting for the next increase, and with a full point rise, bond prices suffer an immediate drop, at least initially.

German government bond prices were fixed slightly higher, but prices were undercut by the failure of the Bundesbank to roll over the full amount of repurchase agreements maturing yesterday, thereby draining of DM8.8bn from the money markets.

German credit policy. Apprehension ahead of the meeting kept the French market volatile, especially at the shorter end, while domestic investors stayed away. The December contract on the Matif futures market in Paris traded down over the day, opening at 107.04 but closing at 106.60.

The Dutch guilder's traditional ties to the D-Mark, both on interest rates and foreign exchange, means that the central bank is expected to do whatever the Bundesbank does. "But if rates remain unchanged, the outlook will be bullish on both ends of the yield curve," a trader said.

The UK government bond market is discounting a rise in German rates today, but is not expecting the Chancellor to bow to market forces and raise domestic rates in response. As the Conservative party

conference looms, it becomes increasingly likely that the UK authorities will intervene on the foreign exchanges to support sterling, rather than raise rates, especially in the wake of August's trade figures.

However, there is a contrary view that the Chancellor may wish to increase UK interest rates when he has an opportunity to blame it on the Germans.

In relatively quiet trading, bond prices slipped around a half point across the board, with the benchmark 2003/07 bond falling by 1/8 to close at 111.1.

The dollar dipped back to Y141.00 and DMI.9775 at the New York mid-session yesterday, some way off its highs on Tuesday.

There was some consternation in the bond market early yesterday when the Fed Funds rate spiked up to a high of 9% per cent. However, the Funds rate had eased back to 8 1/2 per cent by mid-session.

There was little overall direction in the market yesterday morning with no major economic indicators due for release until September's employment data tomorrow.

Traders up in arms over sterling bond issues

By Andrew Freeman

A FULL Stock Exchange inquiry is underway after at least two UK market-makers complained about dealings on Tuesday in long-dated Eurosterling bond issues ahead of yesterday's buy-in of Redland's £100m 10 1/2 per cent issue due 2014.

It is thought that details of the likely terms of the buy-in were discussed with a number of investing institutions before the operation was launched for the company by the broker Cazenove. However, it is not clear who approached the institutions. A Cazenove official refused to comment on the deal.

Such soundings, which involve price sensitive information, are normal before new tender issues, but were described by one trader as extremely unusual in the case of a reverse tender.

Futures brokers watchdog fights for survival

The annual council elections of a small self-regulatory organisation (SRO) are not generally calculated to engender much passion among the membership at large. But the relatively noisy election campaign that has been run over today's vote for three seats on the council of the Association of Futures Brokers & Dealers speaks of considerable controversy over the future of the organisation.

The AFBF, which has emerged from a largely successful drive to rid the commodity business of most of its more dubious operators, now finds itself ready to review its position, and eager to take on broader powers. But, as the smallest SRO, it is severely constrained by high and growing costs, which raise fundamental questions as to the viability of its independence in the future.

At the same time, the overall regulatory structure pertaining to futures - as well as other markets - is beset with both overlaps and underlaps of competence, some of which also directly concern the AFBF at present.

For a start, as with other SROs, the AFBF's relationship with the Securities & Investments Board continues to be a major bone of contention. The potential damage to London firms of the escalating costs of regulation is urgently apparent to the association, and a large slice of overall revenues are absorbed by SIB.

with the so-called part 30 exemption governing British firms' dealings with US clients. Again, the current structure, impenetrable as it may seem, leaves surprisingly large gaps

The AFBF's relationship with the SIB is still highly contentious, writes Katharine Campbell

In regulatory competence, the SIB, which has responsibilities for monitoring the compliance procedures of the various London exchanges, has for instance failed to find ways in which surveillance systems on the commodity markets can be brought closer in line with systems in place at LIFFE - a point which worries some senior AFBF officials. In this context, the association is welcoming SIB efforts to delegate a greater portion of its functions.

The head regulator recently indicated to the AFBF that it hopes to contain the costs of its futures related activities sufficiently to enable the annual contribution - last year reaching £5m - to stay roughly at current levels.

More appropriately absorbed as a division of the Securities Association.

The question is an old one, and originally hard fought by commodities firms when the Financial Services Act was crafted, who fiercely resisted being absorbed into the web of securities regulation. The TSA also did not fall over itself to accumulate powers over what was then the infamous commodities business.

But now the industry has been substantially cleaned up, the arguments have somewhat changed.

The AFBF cannot survive without the revenues from financial futures firms, yet the vast proportion of the association's financial and manpower resources are spent on commodity-related issues. The council is substantially dominated by representatives of commodity firms, and could become more so.

GOVERNMENT BONDS

will have to readjust. With a half a point rise, they will start waiting for the next increase, and with a full point rise, bond prices suffer an immediate drop, at least initially.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week ago, Month ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

Fed canvasses markets on margin trading rules

By Janet Bush

THE US Federal Reserve has asked for public comment on changes which would allow certain "world class" foreign debt and equity securities to be traded on margin in the same way as US securities.

invest in overseas securities. Certain debt and equity securities would be allowed to trade on margin (an upfront payment which is only a proportion of the total of securities being bought).

US West acquires credit guarantor for \$345m

By Andrew Freeman

FINANCIAL Security Assurance (FSA), US company providing credit guarantees on corporate debt issues, has agreed to a \$345m takeover by US West, the telecoms group which is diversifying into financial services.

enhancements for asset-backed securities issued in the US and international capital markets. It has provided guarantees on some \$11b of issues, and since August 1988 has been active in the Euro market.

The buy-in, which Redland said was to allow it to refinance international borrowings more cheaply, was successfully conducted. By the close of the offer, \$90.36m of the deal had been bought at a spread of 170 basis points over the 9 per cent Treasury stock.

Merrill Lynch in India Fund offering

By Stephen Fidler, Euromarkets Correspondent

MERRILL LYNCH is offering a further 19.2m shares in the India Fund, a London-listed unit trust established to enable international investors to invest in Indian equities.

holders on the basis of one share for every four held, at a price of 214p per share. The offer is being underwritten by six firms led by Merrill Lynch International. An option for over 450,000 shares are granted for Merrill Lynch and

prospective market makers. The increase will take outstanding shares in the fund to more than 94m shares, making it the largest sterling-denominated unit fund and one of the three largest such funds in the world.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wednesday October 4 1989, Index No., Day's Change, Est. Earnings Yield, Gross Yield, Est. P/E Ratio, and Year ago (approx).

FIXED INTEREST

Table with columns: PRICE INDICES, Wed Oct 4, Day's change, Tue Oct 3, and Year ago (approx). Rows include British Government, 1-15 years, 3-5 years, 7-10 years, etc.

RISES AND FALLS YESTERDAY

Table with columns: Rise, Fall, Same. Rows include British Funds, Corporations, Dominions and Foreign Bonds, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Latest Date, High, Low, Stock, and Price. Rows include various corporate and government issues.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Latest Date, High, Low, Stock, and Price. Rows include various fixed interest securities.

RIGHTS OFFERS

Table with columns: Issue, Amount, Latest Date, High, Low, Stock, and Price. Rows include various rights offers.

LONDON TRADED OPTIONS

Large table with columns: Calls, Puts, and various stock options. Rows include options on various stocks like British Steel, British Airways, etc.

Opening Index 2327.1; 10 am 2319.4; 11 am 2314.2; Noon 2314.0; 1 pm 2317.4; 2 pm 2317.4; 3 pm 2313.6; 4 pm 2313.9; 5 pm 2313.7; 9.25 am (b) 4.54 pm (b) Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 34p.

First Dealings: Sep 26. Last Dealings: Oct 6. Last Declarations: Dec 21. For settlements: Jan 8. For rate indications see end of

London Share Service: Call: 01-574-2222. Fax: 01-574-2222. Regentcourt, Brasrow, Christchurch Lane, Weybridge, Surrey, Middlesex TW20 2EX. Cable: Weybridge 1000. Telex: 940000 Weybridge G. Fax: 01-574-2222.

UK COMPANY NEWS

Higgs and Hill declines to £10m

By John Riddling

THE DEPRESSED housing market and exceptional charges prompted a fall in pre-tax profits at Higgs and Hill, the building and property group, from £11.26m to £10.09m for the six months to June 30.

Turnover increased from £180.52m to £186.46m, but earnings per share slipped from 20.1p to 18.5p. Nevertheless, the interim dividend has been raised to 4.4p (4p).

Sir Brian Hill, chairman, said that unit house sales had fallen by 35 per cent compared with the first half of last year and that the problem was continuing. "Until the Government has brought inflation under control and interest rates fall we do not expect a return of purchaser confidence in the housing market."

The exceptional items comprised a credit of £1.56m from the profits on the sale of the company's 14.9 per cent stake in Busk & Tompkins, the property developer and contractor. But this was more than offset by a charge of £2.7m resulting from the settlement of arbitra-

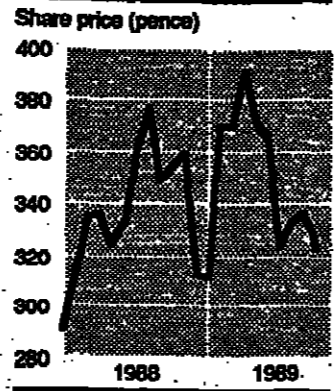
tion proceedings brought by the South Western Regional Health Authority. The proceedings concerned a problem of alkali silica reaction in the structure of the Royal Devon and Exeter Hospital, a project which was completed in 1973. Full provision for the agreed settlement has now been made.

A number of board changes were also announced yesterday. Sir Brian will step down as chief executive, but remains executive chairman. Mr John Theakston becomes joint managing director and is replaced as finance director by Mr Colin Archer, previously the group financial controller of Storehouse, the retailing group.

Sir Brian said the changes were part of the group's strategic review. But one analyst said the appointment of Mr Theakston, who is 37, suggested that the group was considering the process of succession and that it was signalling its intention to remain independent.

Sir Brian said the perfor-

Higgs & Hill



COMMENT

Higgs and Hill's results demonstrate just how nasty the housing market has become in the south-east where its business is concentrated. But this is not exactly news and the falling unit sales have already been largely discounted in the share price, which shed 3p to close at 329p. Yesterday's figures also show the importance of the other strings in Higgs' bow. The property market has been peaking as house sales have plunged and continued earnings growth can be expected from both sides of the Channel. Similarly, construction shows no sign of easing. But for the moment, compensation for the housing slump is perhaps the most that can be expected. For the full year, analysts are looking for about £24m, down from original forecasts of £28m, and £1m less than in 1988. The company is still one of the most highly regarded in the sector, but until interest rates come down, the prospective multiple of 7.5 is unlikely to improve.

All-round growth expands Hewden Stuart 43% to £19m

By John Riddling

STRONG GROWTH across virtually all its activities lifted Hewden Stuart, the Glasgow-based plant hire group, to pre-tax profits of £19.55m for the six months to July 30, an increase of 43 per cent.

Group turnover increased from £100.5m to £117.6m, of which £46m came from the sales division and the balance from hire operations.

Fully diluted earnings per share rose from 5.01p to 7.15p and the interim dividend is raised from 0.6p to 0.75p.

The sale of surplus group properties added about £1.5m to profits, but interest costs were up at £2.25m (£1.7m).

Sir Matthew Goodwin, chairman, described the results as excellent and said they had been achieved despite "an esse-

ment in demand in the south and Midlands reflecting the deterioration in the housing market."

He expected this slowing to continue for some time but the geographic and operational diversity of the group provided protection.

Hewden expected profits in the second half to be "usefully ahead of the same period last year."

Hewden does not break down profits at the half-year stage, but said they were relatively evenly spread across the various businesses.

However, the London merchanting activities suffered from pressure on margins and achieved only flat profits.

Capital expenditure was increased during the period

from £25m to £28m. Hewden expected expenditure of £17m in the second half.

COMMENT

Hewden's results came in at the very top of expectations and represent the latest chapter in its story of success. Equally familiar, however, was the lack of breakdown concerning divisional performance and sector exposure. This is not really Hewden's fault, given the difficulties in keeping tabs on where each compressor ends up, but it does add a pinch of uncertainty. Analysts estimate, however, that less than 10 per cent of business is related to the housing sector, the only area of concern. With gearing heading down to 20 per cent, good geographical and operational spread and a broad customer base, the only question mark concerns the possibility of a hard economic landing. Hewden, like everyone else in construction, would suffer should this occur. But anything milder seems easily manageable, with contractors likely to switch from purchase to hire. Pre-tax profits should reach £38m for the full year, and another mild winter could add up to £2m more. The prospective rating of just over 9 is a premium to the sector, but justifiably so.

Delta shares rise on news of Tomkins' 2% stake

By Clay Harris

SHARES in Delta, the electrical equipment, engineering and industrial services group, rose 18p to 358p yesterday after Tomkins, the industrial holding company, disclosed that it had built up a stake of just under 2 per cent.

Tomkins said it had no present intention of making a bid for Delta, but it reserved the right to review its position if circumstances changed.

The 2.9m shares had been bought during its current financial year, which began on May 1, at an aggregate cost of about £10.3m, Tomkins said.

The cumulative purchases constituted a Class II transaction under Stock Exchange rules.

Companies must disclose to shareholders any purchase of assets which comprise more than 5 per cent of net assets.

Delta declined to comment yesterday, but it is known to have made inquiries under Section 213 of the Companies Act to discover the beneficial ownership of the shares in question.

John Maunders surges by 50% to over £7m

JOHN MAUNDERS, residential property developer, produced record results for the year to June 30. Pre-tax profits showed an increase of 50 per cent from £4.7m to £7.14m on turnover which increased 26 per cent to £93.1m.

Mr John Maunders, chairman, said the results had been achieved against a background of differing regional markets with margins in the East Anglia and southern operations deteriorating, while the market in the north west remained buoyant.

He said that the number units sold last year totalled 676 against 745 units for the average house selling price increased from £52,000 to £78,000 thereby preserving the land bank.

group policy to sell ahead of construction and the group was now selling for completions in the spring of 1990. Forward sales for completion in the first half of the current year were sufficient to meet targets.

He concluded that house selling prices in the north west had stabilised and, assuming current markets did not deteriorate further, the group with conservative borrowings, a prime land bank and a good forward sales position, could look forward to another year of growth.

Interest payable more than doubled last year from £2.12m to £2.43m; after tax of £2.5m (£1.67m) earnings came out at 19.1p (12.66p). The final dividend is a proposed 2.65p (2.1p) making a total of 4.75p (3.15p).

Isopad pays £1.5m for West German acquisition

By Andrew Bolger

ISOPAD International, which makes heat control equipment, has paid DM4.5m (£1.5m) for Heraeus Wittmann, a West German company which designs and makes electrical surface heating equipment.

Wittmann was established in 1964 and employs 100 people at its factory in Heidelberg. Its customers are mainly involved with high-temperature heating applications in laboratories and the nuclear research and petrochemical industries. Last year it incurred a pre-tax loss of £85,000 on turnover of £4.4m.

a placing valuing it at £13.6m. In 1988, it made pre-tax profits of £2.5m on turnover of £13.2m. It is a market leader in Europe with electrical heat tracing equipment, a method of heating pipes and containers by applying insulated electrical wires or foil to their surface. The directors said the combination of Isopad's expertise and Wittmann's strong product range and customer base should quickly return Wittmann to profitability.

Mr Herbert Breit, a director of Isopad and managing director of its long-established West German subsidiary, has also been appointed managing director of Wittmann.

Renaissance leads refinancing for Lamdec

By Ivor Duce

A £900,000 refinancing for Lamdec, a private company in process engineering and design, has been completed. The leading investor was Renaissance Holdings, a specialist in company turnaround and recovery situations.

Mr John Sidwell, a Renaissance senior executive who joins the Lamdec board as chairman, said Lamdec was in negotiations over a number of contracts in the engineering field. At present it was concentrating in the UK although there was a chance that it could look overseas later.

The company, which currently has a turnover of around £10m, has obviously

been lacking a little on managerial expertise. Mr Patrick Giles, who has recently been appointed Lamdec managing director, said the company had grown rapidly in the last few years and had one of the best teams of process engineers in the country. But all that had been jeopardised by delayed payment on one major contract, a US company operating in the UK, and slack controls on others.

Renaissance, which has an option on an equity interest, does not discount acquisitions in the future but said that for the time being the main objective was building up the core activity.

SHARE STAKES

Changes in share stakes announced recently included:

Admiral Computing: Directors stake: C James has disposed of 150,000 ordinary 1.42 per cent. The total holding is now 2,484,725 ordinary (23.88 per cent).
Blast Mining: Jantar has disposed of 425,000 ordinary leaving a total holding of 645,200 (8.18 per cent).
Company of Designers: John

Warren, a director, has acquired 97,291 ordinary (0.61 per cent) making his total holding 1m ordinary (8.34 per cent).

Davy Corporation: Abu Dhabi Investment Authority has disposed of 750,000 beneficially held ordinary (0.75 per cent), the total holding is now 8.8m (8.94 per cent). Shares are registered in the name of Nhad Nominees.

PUBLIC WORKS LOAN BOARD RATES

Effective October 4

Term	Rate by 1991		Rate by 1997	
	by 1991	by 1997	by 1997	by 1997
1	13%	13%	14%	14%
Over 1 up to 2	13%	13%	14%	14%
Over 2 up to 3	12%	12%	13%	13%
Over 3 up to 4	12%	12%	13%	13%
Over 4 up to 5	11%	11%	12%	12%
Over 5 up to 6	11%	11%	12%	12%
Over 6 up to 7	11%	11%	12%	12%
Over 7 up to 8	11%	11%	12%	12%
Over 8 up to 9	11%	11%	12%	12%
Over 9 up to 10	11%	11%	12%	12%
Over 10 up to 15	11%	10%	11%	11%
Over 15 up to 25	10%	9%	10%	10%
Over 25	10%	9%	10%	10%

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. ‡With half-yearly payments. §With half-yearly payments of interest only.

Elson and Robbins hit midway

The cutback in consumer spending on bedding and furniture hit Elson and Robbins in the first half of 1989, and it saw pre-tax profit fall from £581,000 to £58,000.

Turnover improved from £7.58m to £8.94m. Action taken should improve the operating position in the second half. Earnings were 0.36p (3.86p).

Hillsdown stake in Hill & Knowles

By Clay Harris

Hillsdown Holdings, the food, property and furniture group, is paying £1.9m in shares for a 70 per cent stake in Hill & Knowles, a designer and marketer of fabrics and wall coverings. It will also assume about £1.5m in debt.

The acquisition will enable Christie-Taylor, Hillsdown's furniture and furnishings subsidiary, to increase the number of co-ordinated ranges it offers. At present, its only operation in Hill & Knowles' sector is Dovedale Fabrics.

THE NAME BEHIND THE NAMES



European Investment Bank


Lead managed placing of further issue of £100m 9 3/4% loan stock 2009.

June 1989

WPP Group plc

Joint broker arranging sub-underwriting of the rights issue of convertible preference shares, raising £214m as part of the purchase consideration for the Ogilvy Group Inc.


June 1989



SPEYHAWK PUBLIC LIMITED COMPANY

Placed £20m of cumulative redeemable preference shares 2014.


May 1989



BALTIC PLC

Arranger and dealer on £50m Sterling Commercial Paper Programme.

August 1989



BRITISH ASSETS TRUST

Placed £150m of equities index unsecured loan stock 2003.

April 1989

CARLTON

Communications Plc

Joint broker to Carlton in the £508m acquisition of UEL.

July 1989

Issued by Barclays de Zoete Wedd Limited, a Member of The Securities Association.



Five pieces of good advice.

\$4.3bn

Acquisition of BP Minerals and rights issue

RTZ

Hoare Govett Corporate Finance acted as joint adviser and jointly arranged sub-underwriting of rights issue

JULY 1989

Security Pacific Hoare Govett



£4.9bn

Merger

SmithKline Beecham

Hoare Govett Corporate Finance acted as stockbroking adviser to SmithKline Beecham

JULY 1989

Security Pacific Hoare Govett



£3.5bn

Offer for ConsGold

Hanson

Hoare Govett Corporate Finance acted as stockbroking adviser to Hanson

AUGUST 1989

Security Pacific Hoare Govett



Lira 40bn

Club Loan for Turin Sports Stadium construction

Societa dell'Acqua Pia Antica Marcia

Security Pacific Bank AG acted as adviser, arranger and agent

AUGUST 1989

Security Pacific Merchant Bank



£278m

Acquisition of Arlington Securities

British Aerospace

Hoare Govett Corporate Finance proposed the transaction and acted as joint adviser and underwriter

AUGUST 1989

Security Pacific Hoare Govett



In August 1989, Security Pacific Hoare Govett completed its fifth exceptional deal this summer. And you'd be well-advised to study them.

Each one is an achievement in itself.

Even more so when you consider all five of them were completed in July and August alone. In 'the quiet season' as some like to call it.

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With each of our clients clearly enjoying an outstanding deal. And us, five.

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Security Pacific Merchant Bank is the business name of Security Pacific National Bank, a Member of The Securities Association. Security Pacific Hoare Govett is the business name of Hoare Govett Corporate Finance, a Member of The Securities Association.

UK COMPANY NEWS

Queens Moat gives 700 holders second chance

By Clay Harris

QUEENS MOAT Houses is giving nearly 700 shareholders a second chance to subscribe for shares they missed in a recent 214m rights issue because of a string of errors arising from an incorrectly printed postal code on the application form.

handled the recent offer and the follow-up exercise. The number of shareholders known to have had applications returned for arriving after the closing date has risen sharply since Queens Moat first started making inquiries with NatWest two weeks ago, Mr. Martin Marcus, deputy chairman and joint managing director, said yesterday.

now being offered the same number of shares as before. The revised price of 108.75p was reached by adding the original rights price of 95p to the premium for which the renounced rights were sold in the market. Shareholders have already been sent cheques for the latter amount, so the net cost is unchanged.

Ketson cuts loss in first six months

THE REORGANISATION at Ketson, the public relations and marketing group, is working through and it has cut its loss to £161,000 in the first half of 1989.

Mr. Walter Dickson, chairman, said given the very serious problems of 1988 it was a creditable performance, and in line with expectations. In May, Ketson shareholders rejected a hostile bid approach from a consortium led by City and Westminster Financial in favour of a refinancing proposal.

In the first half of 1988 the group made a profit of £282,000 and paid an interim dividend of 1p; but trading losses, and particularly at Moorgate which was bought in the summer, in the second half left the year £980,000 in the red and shareholders' funds £5.45m in deficit.

Feltrim merger with Pan Andean

By Andrew Dolger

FELTRIM MINING, a Dublin-based Third Market group run by the son of Irish prime minister Mr. Charles Haughey, has announced a conditional agreement to merge with Pan Andean Resources, a non-quoted company engaged in exploration in Ireland and Bolivia.

private company into Feltrim to turn it into a leisure vehicle. They announced their stake on July 19. The shares were suspended two days later at 45p, up from a low of 23p in June.

licences also have been metal potential. It is also involved in gold exploration in Alaska and New Mexico. Pan Andean, which was formed in 1988, has cash resources of over £900,000. It is mainly involved with gold mining and exploration in Bolivia.

B&C beefs up stockbroking side

By Sara Webb

BRITISH & COMMONWEALTH Merchant Banking Group yesterday launched its private client stockbroking operation under a new name - the Stock Group.

Roare Góvett's private client business from Security Finance, which will now be absorbed by the Stock Group. However, Mr. Bruce Orrell, chief executive of BCMB, said the group's two regional brokers - Stock Beech, which has offices in Bristol and Birmingham, and Campbell Neill, which is based in Glasgow - would continue to operate under their existing

names in the immediate future in order "to maintain their local identity" while drawing on the group's research and fund management services.

Correction Lon Merchant Secs

In its proposed capitalisation issue, Lon Merchant Securities plans to issue one new deferred share for every three ordinary shares. An incorrect figure was published in Tuesday's edition.

Radaker sells half of his 9.6% Blacks' stake

By Clay Harris

MR. BYRON RADAKER, a US-based entrepreneur, sold nearly half of his 9.6 per cent stake in Blacks Leisure Group less than a week after the sports retailer failed in a £32m takeover bid for A. Goldberg, the Scottish stores company.

today, Blacks' shares were trading at 9p. The 18.5m shares were placed on Tuesday with clients of Channel Trust, a Jersey-based company which had held the shares for Mr. Radaker. Family interests of the US businessman, who runs his own Nevada-based Radaker Financial Management, retain 4.9 per cent of Blacks' shares.

Royal Insurance launches life company in Spain

By Eric Short

ROYAL LIFE Holdings, the life assurance and financial services arm of Royal Insurance Group, is expanding its European operations into Spain with the launch this week of Royal Life Spain.

that "We have examined all the European options carefully and Spain seems to be a particularly attractive market." Royal Life is making a total capital investment of £100m over the next ten years, aiming for a 2 per cent share of the individual life market by 1993. The Royal Insurance Group already has an established general insurance operation in Spain.

UK ECONOMIC INDICATORS

Table with columns: Indicator, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999. Rows include Manufacturing output, Retail sales, Unemployment, etc.

EXTERNAL TRADE

Table with columns: Export, Import, Balance, Current, Reserve. Rows include 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999.

FINANCIAL

Table with columns: M1, M2, M3, M4, M5, M6, M7, M8, M9, M10, M11, M12. Rows include 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999.

WEEKEND FT. Advertisement Rates. Table with columns: Ad type, Rate. Includes Residential Prop, Personal, Motors, etc.

Table with columns: Item, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999. Rows include Manufacturing output, Retail sales, etc.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Securities. The Offer is made solely by the Offer to Purchase dated October 3, 1989 and the related Letters of Transmittal and is being made to all holders of Shares and Warrants. The Purchaser is not aware of any State where the making of the Offer is prohibited by administrative or judicial action pursuant to a state statute.

Notice of Offer to Purchase for Cash. All Outstanding Shares of Common Stock and All Outstanding Warrants to Purchase Shares of Common Stock of Columbia Pictures Entertainment, Inc. at \$27.00 Net Per Share, \$18.50 Net Per 1992 Warrant and \$7.50 Net Per 1993 Warrant by Sony Columbia Acquisition Corp., a Wholly Owned Subsidiary of Sony USA Inc.

Sony Columbia Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sony USA Inc., a New York corporation (the "Parent"), hereby offers to purchase all outstanding shares of common stock, par value \$0.01 per share (the "Shares") of Columbia Pictures Entertainment, Inc., a Delaware corporation (the "Company"), and all outstanding warrants (the "Warrants") to purchase Shares (the Shares and the Warrants are collectively referred to herein as "Securities") at \$27.00 per Share; \$18.50 per Warrant expiring in 1992 and \$7.50 per Warrant expiring in 1993, in each case net to the seller in cash and without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 3, 1989 (the "Offer to Purchase") and in the related Letters of Transmittal (which together constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON TUESDAY, OCTOBER 31, 1989, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration of the Offer that number of Shares which, when added to the Shares purchased or subject to purchase by the Parent or the Purchaser pursuant to the Option Agreements referred to below, represents at least 66 2/3% of the Shares outstanding on a fully diluted basis.

The purpose of the Offer is for the Parent to acquire control of, and the entire equity interest in, the Company. The Offer is being made pursuant to an Agreement and Plan of Merger dated as of September 27, 1989 (the "Merger Agreement") by and among the Purchaser, the Parent and the Company. The Merger Agreement provides, among other things, for the merger of the Purchaser with the Company (the "Merger") pursuant to which each outstanding Share (other than Shares held directly or indirectly by the Parent and Shares held by stockholders who perfect their appraisal rights under the Delaware General Corporation Law (the "DGCL")) will be converted into and represent the right to receive \$27.00 or such higher price per Share as shall have been paid pursuant to the Offer, without interest thereon, upon surrender of the certificate evidencing such Share.

The Board of Directors of Columbia Pictures Entertainment, Inc. has by unanimous vote of those directors present determined that each of the Offer and the Merger is fair to and in the best interests of the stockholders and warrantholders of the Company and recommends acceptance of the Offer by the stockholders and warrantholders of the Company.

In connection with the Merger Agreement, the Purchaser entered into a stock option agreement with The Coca-Cola Company, a Delaware corporation, dated as of September 27, 1989 (the "TCCC Option Agreement"), and a stock option agreement with Allen & Company Incorporated, a New York corporation (the "Allen & Company"), dated as of September 27, 1989 (the "Allen Option Agreement"). The TCCC Option Agreement gives the Purchaser, upon the terms and subject to the conditions thereof, the right to purchase an aggregate of 53,826,544 Shares beneficially owned by The Coca-Cola Company (subject to certain rights of first refusal with respect to 6,250,000 Shares) at an exercise price of \$27.00 per Share, and 1,000 shares of Series A Preferred Stock, par value \$0.01 per share (the "Preferred Shares"), at an exercise price per Preferred Share equal to the liquidation value of \$100,000 plus accrued and unpaid dividends. The Allen Option Agreement gives the Purchaser, upon the terms and subject to the conditions thereof, the right to purchase 2,767,901 Shares owned by Allen & Company at an exercise price of \$27.00 per Share.

The Purchaser reserves the right, in its sole discretion, at any time or from time to time, to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depository followed as promptly as practicable by public announcement thereof not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the Offer.

Upon the terms and subject to the conditions of the Offer, the Purchaser will be deemed to have accepted for payment and thereby purchased tendered Securities, if, as and when the Purchaser gives oral or written notice to the Depository of its acceptance of such Securities for payment pursuant to the Offer. In all cases, payment for Securities purchased pursuant to the Offer will be made through the Depository, which will act as agent for tendering securityholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering securityholders. Under no circumstances will interest on the purchase price of Securities be paid by the Purchaser regardless of any delay in making payment. In all cases, payment for Securities purchased pursuant to the Offer will be made only after timely receipt by the Depository of certificates for such Securities or timely confirmation of a book-entry transfer of such Securities into the Depository's account at any of the Book-Entry Transfer Facilities (as defined in the Offer to Purchase) pursuant to the procedures set forth in Section 3 of the Offer to Purchase, a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by such Letter of Transmittal.

Tenders of Securities pursuant to the Offer are irrevocable, except that Securities tendered pursuant to the Offer may be withdrawn at any time prior to 12:00 Midnight, New York City time on Tuesday, October 31, 1989 (or the latest time and date at which the Offer, as extended by the Purchaser, shall expire) and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after December 1, 1989. For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Securities to be withdrawn, the number of Securities to be withdrawn and the name of the registered holder of the Securities as set forth in the certificates if different from that of the person who tendered such Securities. If certificates for Securities have been delivered or otherwise identified to the Depository, then, prior to the physical release of such certificates, the tendering securityholder must also submit the serial numbers of the particular certificates evidencing the Securities to be withdrawn with a signed notice of withdrawal along with signature(s) guaranteed by a member firm of a registered national securities exchange in the United States or a member of the National Association of Securities Dealers, Inc. or by a commercial bank or trust company having an office or a correspondent in the United States (an "Eligible Institution"), except in the case of Securities tendered for the account of an Eligible Institution. If Securities have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Securities and otherwise comply with such Book-Entry Transfer Facility's procedures. All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided the Parent with the Company's securityholder lists and security position listings for the purpose of disseminating the Offer to holders of Securities. The Offer to Purchase and the related Letters of Transmittal will be mailed by the Purchaser to record holders of Securities and will be furnished by the Purchaser to brokers, dealers, banks and similar persons whose names, or the names of whose nominees, appear on the securityholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Securities.

The Offer to Purchase and the related Letters of Transmittal contain important information which securityholders should read carefully before making any decision with respect to the Offer.

Requests for copies of the Offer to Purchase, the Letters of Transmittal and all other tender offer materials may be directed to the Information Agent or the Dealer Manager as set forth below, and copies will be furnished promptly at the Purchaser's expense. The Purchaser will not pay any fees or commissions to any broker or other person (other than the Dealer Manager) for soliciting tenders of Securities pursuant to the Offer.

The Blackstone Group L.P. 845 Park Avenue, New York, New York 10154. (212) 955-2696. October 3, 1989.

COMMODITIES AND AGRICULTURE

Government refuses help as haddock quota runs out

By James Buzdon, Scottish Correspondent

THE Government yesterday ruled out measures to help fishermen who say they are facing their biggest crisis in 20-30 years because of the near exhaustion of the UK's North Sea haddock quota.

Lord Sanderson, the Scottish Office agriculture minister, said it would be "irresponsible" to amalgamate the North Sea quota with the smaller west coast quota as a stopgap measure to enable fishermen to go on catching haddock legally.

Mr George Sutherland, chairman of the Scottish White Fish Producers' Association, told Lord Sanderson that the 54,000 tonne North Sea haddock quota for 1989 would be exhausted within a week or two. The quota was cut from the 1988 figure of 90,000 tonnes by EC fishery ministers last December because of scientific evidence of a drastic decline in the number of juvenile haddock.

Coffee continues to plunge

By David Blackwell

COFFEE prices continued their week's free-fall yesterday in both London and New York, hitting fresh 14-year lows. The January robusta contract in London closed at \$694 a tonne, a fall of \$31 on the day and \$84 so far this week.

THE Ivory Coast, the world's biggest cocoa producer, yesterday set a \$700 per tonne market price for its main 1989-90 cocoa crop. The price paid to producers was cut by 15 per cent last week to a new low of 200 CFA francs per kilo.

While a big harvest reduces the chance of peasant unrest, the Government still faces the enormous task of paying for the autumn crops, which are the most important of the year's harvest and require the largest single annual cash expenditure by the Agricultural Bank.

Chinese farmers want cash, not IOUs

Lynne Curry reports on Peking's attempts at increasing agricultural growth

IN RESPONSE to discontent among farmers who were paid for last year's grain crop with IOUs, the Chinese Government is stepping up pressure on banks nationwide to set aside enough money to pay for the country's autumn grain harvest.



Lack of mechanisation means hard work for peasants harvesting in Shandong Province

mechanisation. It would also enable irrigation facilities to be better maintained. With the move towards more private farming in the last decade, irrigation and storage facilities have broken down and are in a state of disrepair.

Western analysts say drought in the north eastern provinces of Heilongjiang and Liaoning are likely to reduce the corn and soyabean harvest with the result that the overall grain forecast is 400m to 405m tonnes. This is below 1984's record of 407m tonnes.

they may simply refuse to hand over the crops unless they are paid in cash. Analysts believe, however, that farmers will have little choice but to deliver the grain. Those who do not will not get more seeds, diesel oil, or fertiliser from the state and are likely to have to pay a penalty for not fulfilling their contracts.

Although he adopted Zhao's more market-oriented approach, he is not seen as an advocate of reform but more as a knowledgeable technocrat. To boost grain production the Government has recently established an agriculture investment fund, which will invest in various provincial projects and sign contracts, and has plans to introduce direct taxation of farmers.

Beijing is also attempting to increase grain production by expanding the contract system to replace the individual household system. The current plan would group together small plots of land to reach economies of scale and allow better

One of the most important tasks, though, is how to restructure the grain pricing system to induce farmers to expand production. Increasingly it emphasises poultry production instead of pig farming because the feed conversion ratio is much more efficient.

Jamaica plans alumina expansion

By Robert Gibbens in Montreal

JAMAICA plans to expand its bauxite and alumina capacity to meet the needs of a steadily-growing world aluminium smelting industry.

To achieve this, Jamaica is trying to attract investment from North America, Europe and Asia. Jamaica now has five alumina refineries with total capacity of 3m tonnes or 10 per cent of world capacity.

ment hopes the new consortium, with a 35 per cent Norwegian share, will seriously consider adding to the present 1m tonnes capacity. He also plans expansion at two other plants controlled by Alcoa Aluminium of Montreal.

Strike halts S African antimony production

By Jim Jones in Johannesburg

PRODUCTION of about one fifth of the world's antimony has been halted since last week by a strike at Consolidated Minerals South Africa's only producer of the metal.

10,855 tonnes containing 6,284 tonnes of metal. Nevertheless turnover increased to R54.6m from R42.0m and the pre-tax profit rose to R11.1m from R5.8m.

Burma signs foreign oil deal

By Steven Butler

BURMA has concluded its first oil exploration and production sharing agreement with a foreign company since the oil industry was nationalised in 1962, when a military government headed by General Ne Win came to power.

However, the international oil companies have expressed keen interest in resuming exploration in the country as they expand exploration programmes elsewhere in the region.

ered reserves of oil and gas in the Tuberao field off the coast of the states of Parana and Santa Catarina - well to the south of its main offshore field at Campos, writes Ivo Dawson in Rio de Janeiro.

LONDON MARKETS

NICKEL prices closed near the day's low on the London Metal Exchange yesterday. Influential merchant selling in morning trading attracted some buying, dealers said. But analysts now believe the market is likely to retreat the recent low of \$10,050 a tonne unless significant fresh European offshore enquiries. Copper prices eased in a market continuing to lack definite direction.

Table with columns: Commodity, Close, Previous, High/Low. Includes COCOA, RUBBER, SUGAR, and CRUDE OIL.

Table with columns: Commodity, Close, Previous, High/Low. Includes LONDON METAL EXCHANGE, SOYABEAN MEAL, and POTATOES.

Table with columns: Commodity, Close, Previous, High/Low. Includes LONDON BULLION MARKET, GOLD, and SILVER.

Table with columns: Commodity, Close, Previous, High/Low. Includes ALL OF THE METALS, PLATINUM, and COPPER.

Table with columns: Commodity, Close, Previous, High/Low. Includes CRUDE OIL, SOYABEAN MEAL, and COFFEE.

Table with columns: Commodity, Close, Previous, High/Low. Includes CHICAGO, SOYABEAN MEAL, and WHEAT.

Table with columns: Commodity, Close, Previous, High/Low. Includes SPOT MARKETS, CRUDE OIL, and METALS.

Table with columns: Commodity, Close, Previous, High/Low. Includes RUBBER, SUGAR, and CRUDE OIL.

Table with columns: Commodity, Close, Previous, High/Low. Includes POTATOES, SOYABEAN MEAL, and CRUDE OIL.

Table with columns: Commodity, Close, Previous, High/Low. Includes LONDON BULLION MARKET, GOLD, and SILVER.

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Table with columns: Commodity, Close, Previous, High/Low. Includes CRUDE OIL, SOYABEAN MEAL, and COFFEE.

Table with columns: Commodity, Close, Previous, High/Low. Includes CHICAGO, SOYABEAN MEAL, and WHEAT.

£ a tonne unless otherwise stated. p=per cent, c=cent, b=barrel, f=futures, y=Oct-Nov, o=Oct-Dec, Jan-Mar, v=Sept-Oct, w=Oct, q=Nov, z=Jan/Feb/Mar Commission's average futures prices.

WORLD China withdrawal from the primary markets continues not only to affect those markets but to have repercussions throughout the early processing stages.

WHEAT 2000 (2000) lots of 20 tonnes. Turnover 487 (20) lots of 20 tonnes.

CRUDE OIL - \$/barrel. Nov 18.51, 18.44, 18.22, 18.07, 18.00, 17.90, 18.03, 17.89.

NEW YORK GOLD 100 Troy oz. \$199.99. Nov 199.99, 199.99, 199.99, 199.99.

CHICAGO SOYABEAN MEAL 5000 bu min. cents/bushel. Nov 20.29, 20.13, 20.24, 19.96.

WHEAT 5000 bu min. cents/bushel. Dec 40.92, 40.80, 41.00, 40.74.

LONDON STOCK EXCHANGE

German rate fears dominate equities

STOCK MARKET investment was largely on hold in London yesterday as equity strategists watched the performance of sterling and the German money markets and held their breath ahead of this morning's credit policy meeting at the Bundesbank.

Share prices, firm at first on Wall Street's overnight gain, fell lower as the DM/sterling rate fell and the West German authorities appeared to hint at higher domestic interest rates.

resisted by the authorities as long as possible. Mr Peter Warburton at Flemings commented that currency intervention might not be enough, and that a strongly-worded policy statement from the authorities might be useful.

showed a net fall of only 6.5. The equity market appears to have been overbid during last week's shakeout, and Tuesday's sharp upswing indicates how strongly share prices can recover in the short term if the worst fears on interest rates are not realised.

builder continued to buy the newly-quoted stock of the defence electronics group. Eurotunnel units were again depressed by the need for further financing.

Further action in Ferranti

The search to unmask the buyer of large lines of Ferranti shares continued yesterday as the share price of the beleaguered defence electronics group moved up again in another session of heavy trading.

ested in acquiring Dalgely's food ingredients business, while Mr Holmes & Court might hope to buy its Austrian interests. "Holmes & Court is spreading his risk by this deal. His shares are worth about 345m and he is hoping this will get someone else to bid for Dalgely," he said.

Life Insurance FT-Actuaries Index relative to the FT-Actuaries All-Share Index

gan Grenfell is imminent, edged up 2 to 263p on 1.7m. The oil sector proved disappointingly quiet. Shell were again boosted by what dealers identified as US buying with the stock closing 5 ahead at 439p on 2.6m shares.

what each is prepared to pay for the company. It seems that each of the companies is determined that if it does not acquire the company, then it will make sure the deal is unacceptably high for the other side.

FINANCIAL TIMES STOCK INDICES table with columns for Government Secs, Ord Interest, Foreign Share, Gold Mines, FT-SE 100 Share, Ord Div. Yield, SEAG Bergains, Equity Turnover, Shares Traded, FT-SE, etc.

At the close Ferranti were 4% higher at 59 1/2p with 38m shares reported on the Stock Exchange system as having changed hands.

Standard Chartered spiralled upwards to touch 145p bid early in the session before sliding back to close a net 4 higher at 88 1/2p as the market picked up the scent of a deal between Standard and West Deutsche Landsbank.

1990 earnings and spectacular 1989 growth is fully discounted. BZW's oil team sees a risk that crude prices will soften in the run up to the November 25 OPEC meeting but believes that any weakness in share prices should be used as a buying opportunity in stocks geared towards the long term prospects for oil prices and the strengthening dollar.

UKN suffered another fall dropping 5 to close at 429p, while Lucas, which has experienced a steady rise over the past two weeks, also fell, closing the day at 669p, down 10.

strong management, healthy cash flow and the continuing possibility of a takeover. However, the sharp fall in footwear sales, which forms a large part of Sears' business, unsettled the market.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Volume, Price, etc.

Dalgely alert Dalgely advanced strongly on the announcement that Mr Robert Holmes & Court had put most of his 58 per cent stake in Dalgely into Comco International, an investment vehicle set up with Societe Nationale Elf Aquitaine, the French oil company.

NEW HIGHS AND LOWS FOR 1989

FT-A All-Share Index

Equity Shares Traded

year results on October 17, continued their dismal performance, with the shares slipping back 3% more to a year's low point of 62 1/2p. BZW and Citicorp Scrimgeour Vickers are forecasting pre-tax profits of 265m, compared with last year's 210m.

APPOINTMENTS

Changes at Higgs and Hill

HIGGS AND HILL has made the following board changes. Sir Brian Hill steps down as chief executive, but remains executive chairman.

Mr Adrian Day (above) has been made managing director of RACAL RECORDERS. He moves to Racal Records from the Racal Marine Electronics Group, where he managed the group's US and Canadian activities.

Mr David Burton, an executive director of S.G. Warburg & Co and chairman of LIFEPS, has been appointed non-executive chairman of MARSHALLS FINANCE, the holding company of M.W. Marshall & Co. Mr C.J.E. Nelson has been made chief executive of M.W. Marshall & Co.

Mr John C. Marvin has been made a non-executive of WHITECROFT. He is deputy chairman of Hickson International.

The yield is Austria. Advertisement for RZB-AUSTRIA (RAIFFEISEN ZENTRALBANK OSTERREICH AG) featuring a man in a suit and a dog.

Your banking partner in Austria. RZB-AUSTRIA. RAIFFEISEN ZENTRALBANK OSTERREICH AG. A-1030 Vienna, Am Stadtpark 9. Tel: 717070. Telex: 136939, Swift Code: RZBA AT WW.

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2123

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Main table containing unit trust information, organized into columns by fund name, price, and other details. Includes sections for 'GUIDE TO UNIT TRUST PRICING' and 'UNIT TRUSTS'.

GUIDE TO UNIT TRUST PRICING
UNIT TRUSTS
UNIT TRUSTS
UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table of unit trust information with columns for company name, unit price, and other financial metrics. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

INSURANCES section containing detailed data for various insurance unit trusts, including company names and unit prices.

Continuation of the main unit trust table, listing various investment funds and their performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', 'GUERNSEY (GB RECOGNISED)', 'JERSEY (GB RECOGNISED)', 'LUXEMBOURG (GB RECOGNISED)', and 'SWITZERLAND (GB RECOGNISED)'.

OFFSHORE AND OVERSEAS

GUERNSEY (GB RECOGNISED)

JERSEY (GB RECOGNISED)

LUXEMBOURG (GB RECOGNISED)

SWITZERLAND (GB RECOGNISED)

GUERNSEY (**)

JERSEY (**)

SWITZERLAND (**)

GUERNSEY (**) (continued)

JERSEY (**) (continued)

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GUERNSEY (**) (continued)

JERSEY (**) (continued)

SWITZERLAND (**) (continued)

GUERNSEY (**) (continued)

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'ISLE OF MAN', 'LUXEMBOURG', and 'OTHER OFFSHORE FUNDS'.

LONDON SHARE SERVICE

Main table of London Share Service, listing various shares and funds with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'BRITISH FUNDS', 'FOREIGN BONDS & RAILS', 'AMERICANS', and 'Money Market Bank Accounts'.

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LONDON SHARE SERVICE

AMERICANS - Contd

Table of American stocks including Ford Motor, General Electric, and American International Group.

BUILDING, TIMBER, ROADS - Contd

Table of building, timber, and roads stocks including Bovis Lend Lease and Bovis Lend Lease Group.

DRAPERY AND STORES - Contd

Table of drapery and stores stocks including Debenhams and Debenhams Group.

ENGINEERING - Contd

Table of engineering stocks including BAE Systems and BAE Systems Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

CANADIANS

Table of Canadian stocks including Alcan and Alcan Group.

BANKS, HP & LEASING

Table of bank, home purchase, and leasing stocks including Abbey National and Abbey National Group.

ELECTRICALS

Table of electrical stocks including British Telecom and British Telecom Group.

FOOD, GROCERIES, ETC

Table of food, groceries, and other stocks including Asda and Asda Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks including ICI and ICI Group.

DRAPERY AND STORES

Table of drapery and stores stocks including Debenhams and Debenhams Group.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks including Carlsberg and Carlsberg Group.

HOTELS AND CATERERS

Table of hotel and catering stocks including Whitbread and Whitbread Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

INDUSTRIALS (Misc.) - Contd

Table of industrial stocks including British Airways and British Airways Group.

BUILDING, TIMBER, ROADS

Table of building, timber, and roads stocks including Bovis Lend Lease and Bovis Lend Lease Group.

DRAPERY AND STORES

Table of drapery and stores stocks including Debenhams and Debenhams Group.

ENGINEERING

Table of engineering stocks including BAE Systems and BAE Systems Group.

INDUSTRIALS (Misc.)

Table of industrial stocks including British Airways and British Airways Group.

INDUSTRIALS (Misc.)

Table of industrial stocks including British Airways and British Airways Group.

INSURANCES

Table of insurance stocks including Aviva and Aviva Group.

BUILDING, TIMBER, ROADS

Table of building, timber, and roads stocks including Bovis Lend Lease and Bovis Lend Lease Group.

DRAPERY AND STORES

Table of drapery and stores stocks including Debenhams and Debenhams Group.

ENGINEERING

Table of engineering stocks including BAE Systems and BAE Systems Group.

INDUSTRIALS (Misc.)

Table of industrial stocks including British Airways and British Airways Group.

INDUSTRIALS (Misc.)

Table of industrial stocks including British Airways and British Airways Group.

INSURANCES

Table of insurance stocks including Aviva and Aviva Group.

LONDON SHARE SERVICE

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LEISURE table with columns for Stock, Price, and % Change. Includes companies like Leisure Group, Leisure Inns, and Leisure Hotels.

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, and % Change. Includes companies like British Airways, British Caledonian, and British Midland.

Commercial Vehicles table with columns for Stock, Price, and % Change. Includes companies like Leyland DAF, Leyland Trucks, and Leyland Motors.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Includes companies like News International, Newsprint, and Newsprint Holdings.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Includes companies like Newsprint, Newsprint Holdings, and Newsprint International.

PAPER, PRINTING, ADVERTISING - Contd table with columns for Stock, Price, and % Change. Continuation of the previous table.

PROPERTY table with columns for Stock, Price, and % Change. Includes companies like British Land, British Property, and British Home Stores.

Commercial Vehicles table with columns for Stock, Price, and % Change. Continuation of the previous table.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

TEXTILES - Contd table with columns for Stock, Price, and % Change. Includes companies like British Textiles, British Wool, and British Cotton.

TOBACCO table with columns for Stock, Price, and % Change. Includes companies like British American Tobacco, British American Tobacco (USA), and British American Tobacco (Canada).

TRANSPORT table with columns for Stock, Price, and % Change. Includes companies like British Airways, British Caledonian, and British Midland.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and % Change. Includes companies like British Land, British Property, and British Home Stores.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRUSTS, FINANCE, LAND - Contd table with columns for Stock, Price, and % Change. Continuation of the previous table.

TOBACCO table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRANSPORT table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and % Change. Continuation of the previous table.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

OIL AND GAS - Contd table with columns for Stock, Price, and % Change. Includes companies like British Petroleum, Shell, and Esso.

TOBACCO table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRANSPORT table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and % Change. Continuation of the previous table.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

MINES - Contd table with columns for Stock, Price, and % Change. Includes companies like British Coal, British Steel, and British Iron.

TOBACCO table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRANSPORT table with columns for Stock, Price, and % Change. Continuation of the previous table.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and % Change. Continuation of the previous table.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

THIRD MARKET table with columns for Stock, Price, and % Change. Includes companies like British American Tobacco, British Steel, and British Iron.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and % Change. Continuation of the previous table.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and % Change. Continuation of the previous table.

REGIONAL & IRISH STOCKS table with columns for Stock, Price, and % Change. Includes companies like British Land, British Property, and British Home Stores.

TRADITIONAL OPTIONS table with columns for Stock, Price, and % Change. Includes companies like British Land, British Property, and British Home Stores.

This service is available to every Company dealt in on the Stock Exchange throughout the United Kingdom for a fee of 20p per annum for each security.

WORLD STOCK MARKETS

Main table of world stock markets including sections for Australia, Canada, Germany, Italy, Japan, and various regional indices. Each section lists stock symbols, prices, and percentage changes.

Table of Toronto stock market closing prices for October 3, listing various Canadian stocks and their performance.

Table of MONTREAL closing prices for October 3, listing various Quebec-based stocks.

Table of INDICES showing performance of various market indices like Dow Jones, Nikkei, and others.

Table of NEW YORK ACTIVE STOCKS and TRADING ACTIVITY, listing volume and price changes for major US stocks.

Advertisement for FT hand delivered in Turkey, featuring a large image of a globe and text promoting the Financial Times' global reach and focus.

2pm prices October 4

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock name, price, and change.

Advertisement for 'The world's first King Size Filter cigarette' featuring a pack of Rothmans 100's.

Continued on Page 43

OVER-THE-COUNTER

Nasdaq national market, 2pm prices October 4

Table of stock prices and market data, including columns for stock names, prices, and changes.

Table of stock prices and market data, including columns for stock names, prices, and changes.

Table of stock prices and market data, including columns for stock names, prices, and changes.

AMEX COMPOSITE PRICES

Table of AMEX composite prices for various stocks.

Table of AMEX composite prices for various stocks.

Table of AMEX composite prices for various stocks.

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